The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

IN THIS ISSUE

Nanking-Canton Politics and the Japanese Menace

Versatile Engineering Editor Lands Another Good Job!

The S. F. R. A. and the Question of Sedition in China

No More "Caveat Emptor" for U. S. Stock Promoters

Only U. S. Company Left in Korea Now Being "Squeezed" Out

"I Deplore the Continued Presence of the U. S. Fleet in the Pacific"---Matsuoka

China's Progress in Aviation Surprises the World

Manchukuo Will Monopolize Beans, Opium and Cigarettes

(By the Review's Correspondent at Changchun)

A Close-Up View of the Puppet Ruler at Changchun . . . . . By Upton Close

Silk Problems of China and Japan . . . . By Paul K. Whang

The Way Out for China! . . . . . By Chen Fu Sheng

Why We Resist . . . . . By Wang Ching-wei

The American Stake in the Philippines . . By Harriet Moore

Another World Conflict in the Offing . By S. Y. Livingston Hu

SATURDAY, MAY 13, 1933 VOLUME 64, NUMBER 11

FORTY CENTS A COPY

64-443

WORLD WIDE BANKING FACILITIES

Founded in 1812

THE
NATIONAL CITY BANK
OF NEW YORK

Capital, Surplus and Undivided Profits, over U.S. $205,454,000

BRANCHES AND CORRESPONDENT THROUGHOUT THE WORLD

Local Branch:
1a Kiukiang Road,
Shanghai.

Head Office:
55 Wall Street,
New York.

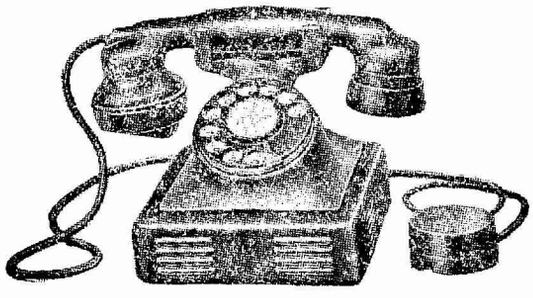
EXPERT ADVICE ON REAL ESTATE INVESTMENTS

R. M. Vanderburgh — Truman Johnson
Fred Kempton — H. T. Chang
George Hoh

REALTY INVESTMENT COMPANY
FEDERAL INC. U. S. A.
SHANGHAI

56 Szechuen Road — Cable "Realinvest"

China Electric Company
LIMITED



Manufacturers and Importers of Manual and Automatic Telephone Equipment.

HARBIN *SHANGHAI* *PEIPING*
TIENTSIN *HANKOW*
CANTON *HONGKONG*

Shanghai Office: 230, Medhurst Road

A telephone surrounds the home with a feeling of security

You can have a telephone in your residence for less than 18 tael cents a day .

●

Consult the Business Office.
232 Kiangse Road — *Telephone* 11400
1200 North Kiangse Road — *Telephone* 41415

SHANGHAI TELEPHONE COMPANY

64-444

READ

"THE CHINESE REPUBLIC"

Edward Bing-Shuey Lee, Editor

SPECIAL FEATURES

1. Review of World Events
2. Survey of the Week's News in China
3. The Mis-Republic
4. What China Has
5. Chinese Leaders' Views

OTHER FEATURES

1. Editorials
2. Special Articles on Economic Development, Foreign Affairs, Current Topics and Specialized Subjects
3. Reconstruction
4. Chinese Press Opinion
5. Foreign Press Opinion
6. Documentary Data
7. Book Reviews

20 Cents per Copy

$ 7.00 Mex. per year (domestic)
$16.00 Mex. per year (foreign)

Business and Editorial Offices,
14 Kiukiang Road, Shanghai.

Owing to alteration of building our temporary address is 25 Central Road (Opposite the Ho Hong Bank)

"The Peiping Chronicle"

Leading English Language Daily Newspaper of North China. Presenting news impartially and promptly, interpreting current events in a sane and liberal spirit, and editorially supporting progressive and constructive policies.

Enjoying the widest circulation in North China and other places, and serving as the best medium for advertising.

SUBSCRIPTION RATES:

Single copies	10 cents
Sunday only one month	40 „
Two week	$ 1.00
One month	„ 2.00
Six months	„ 11.00
One year	„ 20.00

(Postage extra)

2. Mei Cha Hutung, Peiping, China.

Cable Address: "CHRONICLE"

THE PEOPLE'S TRIBUNE

An Organ of National-Revolutionary Thought and Opinion

Edited by T'ANG LEANG-LI

THE PEOPLE'S TRIBUNE aims at conveying accurate information and the correct interpretation thereof, at informing the foreign public what China's masses and their responsible leaders are thinking and doing at explaining the significance of major political and other relevant developments—without fear or prejudice.

Among its contributors we find political leaders and thinkers of international repute, such as WHANG CHING-WEI, T. V. SOONG, CHEN KUNG-PO, QUO TAI-CHI, Dr. WELLINGTON KOO, SUN FO, and experts who, anonymously or under their own name, write with the greatest authority on their respective subjects.

THE PEOPLE'S TRIBUNE is therefore indispensable to all who are interested in the political, social, and economic development of national-revolutionary China.

Single Numbers: 20 cents — Twelve Numbers: Mex $2.000 (Abroad G.$1.50)

CHINA UNITED PRESS

72 Szechuen Road, Shanghai

Telephone: 18447 — Cablegrams: Cupress

JUST WHAT YOU WANT

A Simple, Systematic but Thorough Course of Study in the Chinese Language.

By

Prof. W. A. Scharffenberg

PRINCIPAL

HOME STUDY INSTITUTE

Oriental Branch

UNIT I

Ten Lessons

Now Ready For Distribution
Units II,III, IV & V to follow.

Each Unit consists of approximately twenty-five pages of helpful instructions on general principles of language study and other related subjects. Fifty pages of vocabularies covering five hundred useful terms. Twenty pages of intensely interesting analysis of Chinese characters. From ten to twenty pages of reading lessons.

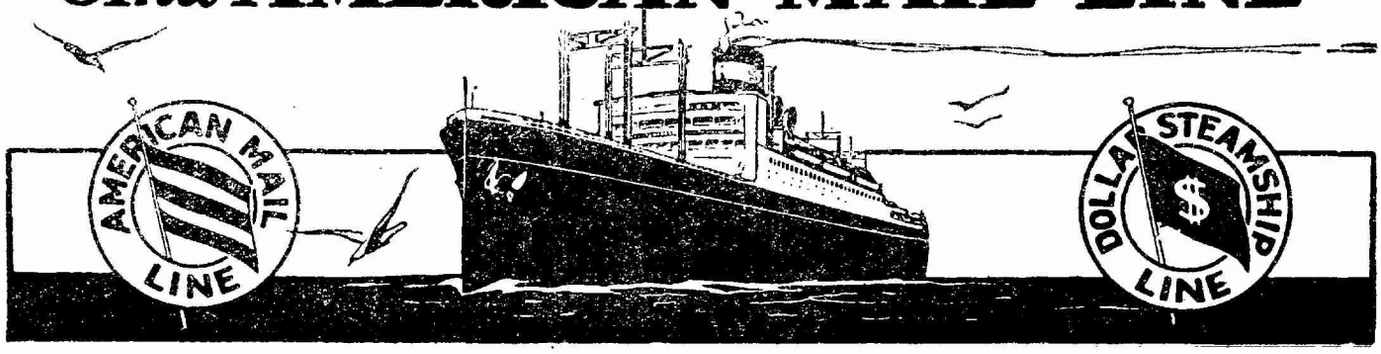
Prices: U.S. Gold $2.00—Malaya, $5.00 Straits Currency; China, $6.00 Mex.

Send orders and remittances to the

CHINA WEEKLY REVIEW

38 Avenue Edward VII
Shanghai

DOLLAR STEAMSHIP LINE
And AMERICAN MAIL LINE



THE EXPRESS ROUTE

DAYS 14 DAYS

SHANGHAI

TO

SEATTLE

THE FASTEST SERVICE FROM

Shanghai to the Pacific Coast

VIA

KOBE

AND

YOKOHAMA

THE SUNSHINE ROUTE

SHANGHAI

TO

NEW YORK

VIA

Kobe-Yokohama-Honolulu

SAN FRANCISCO

LOS ANGELES

THENCE

Panama Canal-Havana

NEW YORK

AMERICAN MAIL LINE
ROBERT DOLLAR BUILDING

DOLLAR STEAMSHIP LINES
3 CANTON ROAD TELEPHONE 15309

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China.

64-446

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 64 | Shanghai, China, Saturday, May 13, 1933 | Number 11

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG S. Y. LEUNG

PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

Versatile Engineering Editor Lands Another Good Job! 397
No More "Caveat Emptor" for U. S. Stock Promoters 398
Only U. S. Company Left in Korea Now Being "Squeezed" Out 399
The S. F. R. A. and the Question of Sedition in China 399
"I Deplore the Continued Presence of the U. S. Fleet in the Pacific"—Matsuoka 401
Nanking-Canton Politics and the Japanese Menace .. 405

Special Articles

China's Progress in Aviation Surprises the World 413
A National Library for China ..... By Chih-Ber Kwei, Ph. D. 414
Silk Problems of China and Japan By Paul K. Whang 415
The Way Out for China!..... By Chen Fu Sheng 416
Why We Resist..... By Wang Ching-wei 420
Manchukuo Will Monopolize Beans, Opium and Cigarettes 422
Another World Conflict in the Offing ..... By S. Y. Livingston Hu 424
A Close-Up View of the Puppet Ruler at Changchun.. ..... By Upton Close 428
The American Stake in the Philippines ..... By Harriet Moore 430
Who's Who in China 433
Men and Events 434
New Books of Interest in the Far East 436

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS" COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON OFFICE

J. J. Underwood—Correspondent

Colorado Building, Washington, D. C.

VERSATILE ENGINEERING EDITOR LANDS ANOTHER GOOD JOB!

GEORGE BRONSON REA has landed another good job, this time as general representative of Japan's puppet state of Manchukuo in the United States. Which is not so bad for a 63-year old editor in these times of depression. But landing good political jobs all over the Far Eastern map has become a habit with Rea since he foresook engineering for journalism during the Spanish-American war. According to latest reports from Tokyo, the Japanese Government has decided to recommend Rea as Manchukuo's special representative in the Unitet States, this action being taken because Rea happens to be an American citizen, hence can serve in this capacity, whereas Manchukuo not being recognized is in consequence barred from having a representative of its own blood—whatever that might be, Manchu, Mongol, Tatar, Japanese, or whatnot. Rea started in life by being born in Brooklyn on August 28, 1870. He was educated by private tutors and took up the profession of engineering which, according to the reports, took him to Cuba where he acquired a knowledge of the Spanish language while assembling a sugar-factory. Then the Spanish-American war broke out and since Spanish-speaking Americans were few and far between in those days, Rea got a job as correspondent for the old New York *Herald*, later switching to the *World*. With Cuba liberated from Spanish oppression, Rea betook himself to the Philippines where certain American sugar interests were also casting covetous eyes. Although a comparatively new arrival in the Philippine archipaeligo, the P. I. Government sent him to Washington as a sugar tariff expert. In the meantime Mr. Rea had embarked in journalism by starting the *Far Eastern Review*, a journal devoted to engineering, but with politics as an important sideline.

But Rea shortly found the Philippines too limited for his activities, so six years later he transferred himself to China, along with his magazine and became a technical secretary connected with the Chinese National Railway Corporation which was formed by the late Dr. Sun Yat-sen when Dr. Sun was first provisional president of the newly-formed Chinese Republic. In 1914, the year of the outbreak of the world war, Mr. Rea was an adviser to the Chinese Ministry of Communications, in which capacity he was awarded a prize for designing a new railway sys-

tem for China. But things were too quiet in the Far East, so Rea betook himself to Washington and joined up as a captain in the Military Intelligence Division, attached to G. H. Q. at Chaumont. Later he went to Spain as assistant Military Attache. But international politics were stirring at Paris, so Rea transferred back to his Chinese connections and became technical secretary to the Chinese Industrial Commission which was sent to the Versailles Conference by the then Communications Minister, Yeh Kung-cho. All during this period Rea's organ, the *Far Eastern Review* was conducting a noisy campaign against Japanese aggression in China.

But something happened at the Paris Conference. What it was never has been explained, but Rea got into a row with the Chinese delegates which caused the Chinese to discontinue his services. Rea put on his hat, walked across the street and joined the Japanese delegation. His *Far Eastern Review*, which had been attacking the Japanese for their aggressions in Shantung and Manchuria, suddenly switched over to the Japanese point of view and in the next issue started lambasting the Chinese in equally violent language. Since that time, Mr. Rea has remained with the Japanese and an inspection of the files of his paper since 1918 shows that all of the adjectives which he formerly used against the Japanese were revamped and used all over again against the Chinese. Then came the Japanese intervention at Mukden in the fall of 1931 and shortly afterward Mr. Rea packed his bag and went to Manchukuo. Due to long experience, he knew exactly where to go, so it was Changchun this time, his arrival being almost simultaneous with that of Henry Pu-Yi, the Manchu boy-emperor. Fresh trouble for both Japan and Manchukuo was brewing at Geneva, so to Geneva went Rea with a commission as American counsellor for the puppet-state, his appointment being recommended by the Japanese Government which reserves to itself the right to nominate advisers to the Manchukuo state. For his services Rea received a salary of G.$15,000 a year, plus expenses, which as stated in the foregoing is not so bad in these days and weeks and months and years of depression. And now to complete the story, we have it officially from Tokyo that George Bronson Rea is to be sent by Manchukuo to the United States as "general representative." As for the *Far Eastern Review*, it doesn't seem to have suffered because of its proprietor's political peregrinations. The latest number (April) contains some 40 pages of advertising, of which 26 were placed by Japanese firms or semi-official Japanese organs. American firms only have five ads in the entire issue, while the Chinese have none at all, the remainder of the advertisements being chiefly by British firms. Sometime ago the Chinese Government banned the paper from circulation through the Chinese Post Office on the grounds the magazine allegedly was used for the dissemination of Japanese propaganda. Several years ago the Nanking Government tried to deport from China the then associate editor of the *Far Eastern Review*, George E. Sokolsky, on the ground his writings were detrimental to China. But the Chinese authorities were unsuccessful in this regard for John Van Antwerp MacMurray the American Minister at the time refused to heed the Chinese request.

NO MORE "CAVEAT EMPTOR" FOR U. S. STOCK PROMOTERS

BRIEF dispatches from Washington (*Reuter*) on May 6 and 8 which received only a few lines in the local foreign newspapers, were however much more important than their length and position in the papers indicated. The despatches stated the U. S. Senate and House of Representatives had passed a bill requiring the publication of details on securities in order to prevent investors from being defrauded. The passage of this bill, which was introduced in Congress upon the recommendation of President Roosevelt, constituted a "death-sentence" for that little piece of fiction in small type which always has appeared at the bottom of stock-promotion circulars,

> "While the information contained herein is not guaranteed, it has been obtained from sources which we consider reliable."

President Roosevelt's message to Congress (*Time Magazine*, April 10) bearing on this subject declared, "I recommend....legislation for Federal supervision of traffic in investment securities in interstate commerce....The public in the past has sustained severe losses through practices neither ethical nor honest on the part of many persons and corporations selling securities. Of course, the Federal Government cannot and should not take any action which might be construed as approving or guaranteeing that newly issued securities are sound in the sense that their value will be maintained or that the properties which they represent will earn profit. There is, however, an obligation upon us to insist that every issue of new securities to be sold in interstate commerce shall be accompanied by full publicity and information, and that no essentially important element attending the issue shall be concealed from the buying public. This proposal adds to the ancient rule of *caveat emptor* ('Let the buyer beware') the further doctrine: 'Let the seller also beware (caveat venditor). It puts the burden of telling the whole truth on the seller. It should give impetus to honest dealing in securities and thereby bring back public confidence."

The new law, according to the summary which appeared in *Time* compels "full publicity and information" on security issues and was largely patterned on Great Britain's Companies Act. In the past it has only been possible to punish crooked stock-promoters or corporation officials, by invoking the round-about charge of "using the mails to defraud," which carried a jail sentence of five years and a fine of G.$5,000. Owing to the ease with which this regulation was violated, officials of the U. S. Department of Commerce estimated that of the G.$50,000,000,000 worth of securities sold in the United States in the last 13 years, one-half were "undesirable or worthless."

Under the new bill the U. S. Federal Trade Commission must establish a registration office for all securities to be sold in interstate commerce. In addition to the payment of a small fee, parties interested in stock flotations must supply under oath a complete and detailed statement of the issuing company's capitalization, its stock set-up, the purpose of the issue, bonuses and commissions to be retained by the underwriters and the amount to be returned to capital

investment. To register a foreign government security in America, the U. S. selling agent must state the object of the loan, its bonuses and commissions, the general financial condition of the borrowing country and whether or not it has ever defaulted on any of its international obligations and if so, why. This registration with the Interstate Commerce Commission can be revoked for fraud, insolvency, dishonest advertising or unsound business principles. All advertisements issued by stock-promoters must contain the same complete facts and must be approved by the Trade Commission. Any material misrepresentation makes the promoters liable to civil damage suits by stock buyers as well as criminal prosecution by the U. S. Federal Government. The law also makes it a crime to convey the idea to any prospective purchaser of stocks that Federal registration is tantamount to Federal approval of the worth of the stock-issue.

ONLY U. S. COMPANY LEFT IN KOREA NOW BEING "SQUEEZED" OUT

THE Oriental Consolidated Mining Company, Inc., the only American company which has continued operation in Korea following the annexation of that unfortunate country by Japan, is now having serious complications with the Japanese authorities and unless it can obtain the active assistance of the Washington authorities is in danger of being forced out of business. Frederick Bull, president of the Company, arrived in Tokyo recently from Korea and after conferring with the American, British and French Ambassadors on behalf of his stockholders, Mr. Bull proceeded to Washington with the object of interviewing President Roosevelt and Secretary of State Cordell Hull.

The Oriental Consolidated Mining Company, which was incorporated in 1898, is engaged in the mining of gold in the mountainous regions to the northeast of Shingishu, Korea. Its concession, originally granted by the Emperor of Korea, embraces 600 square miles of territory and when Korea was annexed by Japan the Imperial Japanese Government guaranteed that its operations would not be interfered with. Specifically the Japanese agreed that the Company would not be required to pay an export duty on its products shipped from the country, or on its machinery brought into the country. In return for this guarantee the Company agreed to pay an annual fee of Yen 25,000 to the Japanese Government. The arrangement worked satisfactorily until July of last year when the Japanese Government enforced its ban on the export of precious metals.

According to the complaint which was lodged with the American Embassy in Tokyo, the Japanese gold embargo, plus auxiliary regulations make it practically impossible for the company to continue. Under these regulations the Japanese Government's official rate for the purchase of gold bullion amounts to Yen 8.88 per momme, a Japanese weight unit equivalent to 0.325-oz., or 3.7565-gr. Since the prevailing gold rate in New York, London or Paris is equivalent to Yen 12 per momme it means the company would suffer a loss of Yen 3.12 per momme or about 26 percent on its product. Since the Company has G.$900,000 worth of gold-bullion stored in Korea which has accumulated since the enforcement of the Government regulations, it stands to lose Yen 1,123,300 if it is compelled to dispose of its output to the Bank of Japan. Mr. Bull stated in his complaint to the American Embassy that his company always had operated on a dollar basis from the standpoint of salaries hence the enforcement of the Japanese regulations would result in a heavy loss and eventual liquidation.

The complications of the Oriental Consolidated Mining Company, referred to in the foregoing, makes the seventh American firm which has suffered because of official interference or persecution on the part of private interests in Japan in recent months, the other firms being the General Electric Company, National City Bank of New York, Singer Sewing Machine Company, Ford Motor Company, General Motors and Japan Steel Products (Truscon) Company. Of these attacks that on the Singer Sewing Machine Company probably was the most serious as it resulted in the wrecking of the office and destruction of valuable records. Both Ford and General Motors were prevented from filling orders for their trucks in China. The agitation against the Japan Steel Company, American-owned subsiddiary of the Truscon steel interests, was for the purpose of compelling the company to appoint Japanese to its high directorate. As for the agitation against the National City Bank, it was based on allegations of espionage, the Japanese agitators claiming that officials of the firm were taking pictures of important Japanese public buildings on behalf of American military and naval authorities. As a matter of fact the company was using the pictures for advertising and promotion purposes in its head office in New York, but it required a strong protest by the American Embassy in Tokyo to cause the Japanese to call off the agitation. The attack on the General Electric Company, which was organized by two high military officers on the reserve list, was in the nature of retaliation against the action of home G. E. officials in filing suits for the infringement of its patents by Japanese manufacturers of electric light bulbs who have been dumping their products in the U. S. market and under-selling the products of the G. E. factory at Schenectady, N. Y. According to American residents of Japan the object of these attacks is to compel American manufacturers to dispose of their plants, including patents, to the Japanese.

THE S. F. R. A. AND THE QUESTION OF SEDITION IN CHINA

ALL sovereign states have laws covering the crime of sedition, but since China is not a sovereign state due to the existence of exterritoriality, the Chinese Government is not free to take action against foreigners guilty of the crime of sedition. The new criminal code adopted in 1928 contains in its first three chapters dealing with offences against the internal and external security of the state and offences against friendly relations with foreign states, sufficient legal machinery for dealing with Chinese citizens who may be involved in seditious activities. But while China cannot take legal action against foreigners involved in seditious activities, she can through diplomatic means bring such matters to the attention of the foreign ministers

whose citizens or subjects are involved in such activities and in this manner put a stop to practices considered detrimental to the peace and order of the state. The Chinese Government also has the power, through its control of the posts and also through the recent law dealing with publications, to put an effective curb on the activities of foreigners or groups of foreigners who deliberately set out to undermine the security of the state and destroy its good-will and prestige abroad through the circulation of seditious propaganda. However, it might be well to define the term Sedition,

> "A commotion, or the raising of a commotion, in a state, not amounting to an insurrection; conduct tending to treason, but without an overt act; excitement of discontent against the government, or resistence to its lawful authority....Conduct which tends to treason, but which falls short of it for want of an overt act."

There is no intention here to suggest that the recently organized Shanghai Foreign Residents Association is a "seditious" organization or is likely to engage in seditious activities, but the subject is timely due to recent official actions in a number of countries which have a bearing on this subject. The fact that a number of foreign consular officials have already expressed strong disapproval of the activities of the Shanghai Foreign Residents Association will probably be sufficient to prevent that organization from involving itself in activities likely to disturb the peace and order of the Shanghai foreign settlements or of the friendly relations which exist between the foreign and Chinese authorities here, but as stated in a previous discussion of this subject in these columns (April 29) a strong word of caution seems to be advisable in the circumstances. Since the publication of the previous article in *The Review* there have appeared several columns of discussion and comment in the foreign and Chinese newspapers which indicate quite clearly the general suspicion which exists on the part of the public regarding the inner motives of the S. F. R. A. Considerable light also has been shed upon the history of the organization, which apparently had its inception with certain British, French and Japanese interests which were involved in the abortive "free-city" scheme which was propagated over the world at the time of the Japanese military intervention at Shanghai early last year. Hence much of the suspicion in the Chinese and foreign communities regarding the real objective of the organization was aroused by the inclusion in the original circular of the statement that the S. F. R. A. proposes to

> "make representations to the Diplomatic and Consular bodies and the League of Nations in connection with matters affecting the welfare of Shanghai, and it is almost certain that serious questions affecting the welfare of this city will come up for consideration in the near, if not immediate, future."

In our previous discussion of this subject attention was called to the obvious fact that the interests of all of the 60,000 odd foreign residents at Shanghai are not identical. This statement applies with particular force to the Americans because of the stand which the United States Government has taken on Far Eastern affairs since the beginning of the Manchurian complications in the fall of 1931. It isn't necessary to re-state this policy in detail, but briefly the United States stands for the protection of the territorial, political and administrative integrity of the Chinese Republic and the observance of international treaties designed to make this policy effective. More, the United States opposes most definitely the recognition of any acts contrary to the letter and spirit of these treaties. There can be no mistake about this because it was largely due to the official attitude of the American Government, that the other countries represented in the League of Nations, took similar action.

Obviously, American citizens resident in China have a definite obligation to observe to the best of their abilities, the established policies of their home government. And while there is (fortunately) no legal obligation compelling Americans to observe their country's established policies, there is a distinct moral obligation which in the long run is even more potent. The reason for this is too obvious to warrant elaboration, but the whole structure of America's friendly relations with China as well as with other nations interested in this part of the world, is involved in this question. It is therefore most obvious that Americans resident in China, should not allow themselves to become involved in propaganda schemes secretly formulated by other foreign interests, which have as their ultimate objective the undermining of established American policies in the Far East.

There is a further and even more practical reason for this general observance on the part of local Americans of their country's established policies, since the prosperity of American commercial and industrial interests in China depends largely upon a continuance of the present friendly relations between China and the United States. Assuredly American interests in China cannot continue to grow and prosper, as they have for many years, if the Chinese people should have cause to become suspicious of the activities of local Americans in consciously or unconsciously, allying themselves with schemes and propagandas designed to undermine American policy. And it is no secret that such schemes always are in existence. Usually they keep well underground, but recently due to Japanese activities in Manchuria they have had a tendency to become more open, hoping apparently to take advantage of Japanese aggression in order to grab something for themselves. Even the Japanese intervention at Shanghai last year which resulted in the slaughter of thousands of innocent victims and the loss of millions of dollars worth of property, was secretly encouraged by some of these interests which hoped to benefit therefrom. The proposal for the creation of the so-called "free-city" which was broadcasted over the world at the time proved this point all too well.

To refer again to the so-called Shanghai Foreign Residents Association and its unannounced real objective, it is our understanding that the Americans, as well as certain other nationalities, came into the picture late, meaning by this that they were invited to join for "window-dressing" purposes. In other words a small group of foreigners, popularly designated as "die-hards" due to their general opposition to the established policies of the United States and most of the other enlightened Powers, got together and decided what they wanted to do. Then, after they had formulated their schemes, they issued an invita-

tion to the various foreign chambers of commerce to nominate representatives to serve in a minority position on the general committee. Superficially, the committee so formed, had the appearance of being really representative of the entire foreign population at Shanghai, but the reverse is the real situation for the organization is, and will continue to be dominated by an inner clique whose activities in any *sovereign* country probably would be designated as seditious. The personnel of the so-called provisional committee of the S. F. R. A. as announced on the circular which recently was mailed out to some 10,000 foreign residents, is as follows:

Names	*Nationality*	*Business Connection*
E. F. Harris	British	Sun Life Insurance Co. of Canada
R. D'Auxion de Ruffe	French	Lawyer
J. M. Tavares	Portuguese	Lawyer
M. S. Bloch	Russian	M. Bloch and Co. (manufacturers)
A. de C. Sowerby	British	The China Journal
H. G. W. Woodhead	British	Columist, Shanghai Evening Post
Ranald G. McDonald	British	Lawyer
A. Gironi	French	La Generale Soies (silk exporters)
C. Fumagalli	Italian	Agencia Manifatture Italiane (?)
H. Stromwall	Swedish	Holdo Stromwall (merchant)
J. Donne	French	Racine and Company (importers-exporters)
A. Mouton	French	Olivier-Chine (importers-exporters)
Ch. Metzler	Danish	Reinsurance Co. Rossia, Copenhagen
T. Funatsu	Japanese	Japanese Cotton Mill Owners Assn.
J. Barraud	French	Lawyer
Arthur Bassett	American	British-American Tobacco Company.
T. O. Thackrey	American	Shanghai Evening Post
T. Sakurauchi	Japanese	Japanese Residents Association
M. Yoshida	Japanese	Mitsubishi Shoji Kaisha
F. A. Leitao	Portuguese	Portuguese Club
B. Rein	Norwegian	Wallem and Co. (brokers and ship agents)
G. V. Synnerberg	Finnish	Synnerberg and Co. (paper importer)
Beck and Swan	British	Professional Secretaries.

"I Deplore the Continued Presence of the U. S. Fleet in the Pacific"---Matsuoka

THIS recent declaration by Yosuke Matsuoka, chief Japanese delegate to the League conference on the Manchurian question, brings prominently to attention the whole question of the close relationship of armament discussions to the present situation in the Far East. Matsuoka prefaced his remarks by stating he was speaking personally and not as a high diplomatic official, but this did not minimize the significance of his remarks in the minds of citizens of the United States. His complete statement was, "I realize the United States has the right to decide her own policy, but as a sincere wellwisher of good Japanese-American relations, I deplore the decision of Secretary of the Navy Swanson that the American fleet would be retained in the Pacific. The action is liable to add fuel to the already bad resentment in Japan against the United States. But the Japanese are a gentle people and we control our feelings."

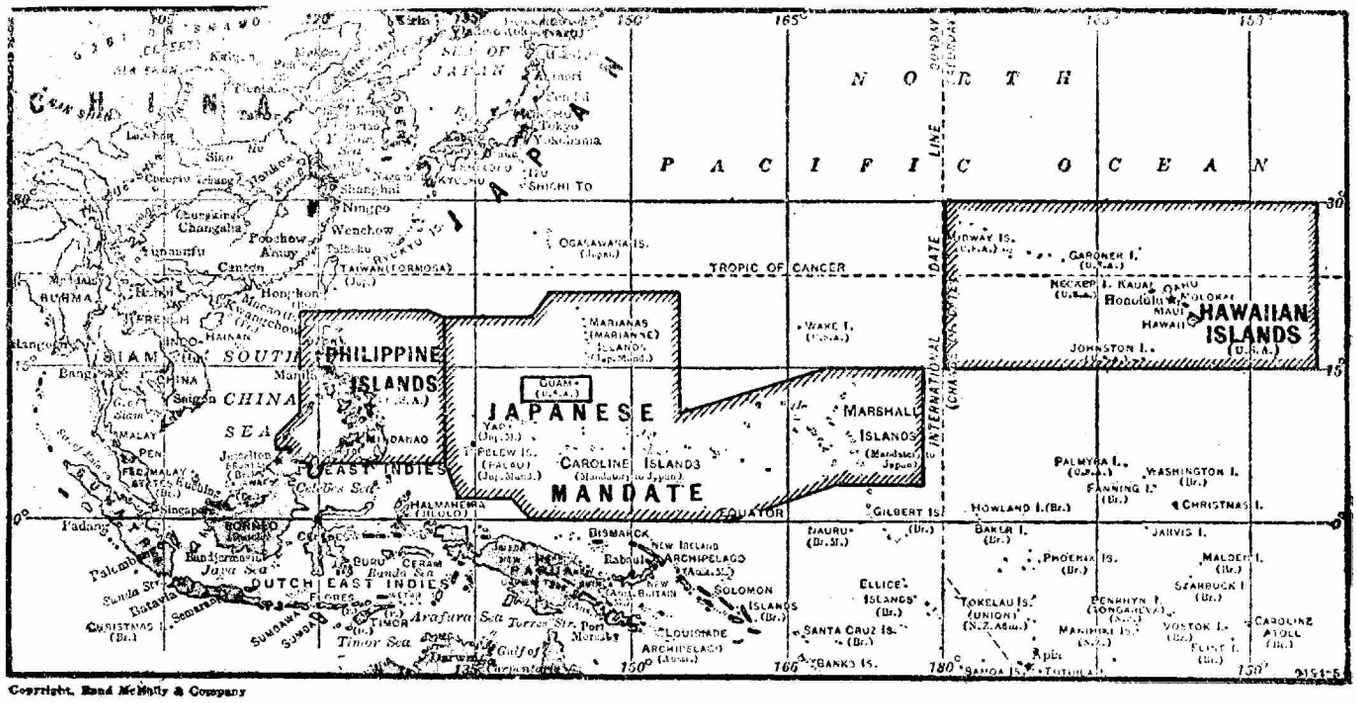
Obviously it didn't require this statement by Matsuoka to indicate to thinking people that all of the discussions pertaining to world economic rehabilitation now taking place in Washington lead inevitably to a final showdown on the whole Far Eastern problem. Thus far the discussions between President Roosevelt and the representatives of Britain, France, Italy and other European countries have only touched lightly on the real problem, but there have been indications aplenty that representatives of all countries realize the inevitable trend. For example, Ramsay MacDonald, the British Premier, stated upon his recent return to London that an understanding had been reached between the United States and Great Britain on the question of the disarmament conference. The New York *Herald Tribune*, in commenting on the early arrival of the Japanese delegation headed by Viscount Ishii, said it would be President Roosevelt's "hardly pleasant but inevitable duty to make the Japanese delegate understand what is the real opinion of the United States with respect to recent events in the Far East." In other words, it would be necessary for the U. S. President to emphasize that Japan has repudiated the Nine-Power treaty and thereby lost the confidence of the Powers as regards the assurance of the maintenance of peace in the Far East. The Tokyo government will thus be unequivocally informed that in the viewpoint of other nations, Japan's international prestige has not been enhanced, despite the assurances of Japanese war-lords to the opposite effect.

A realization of this situation on the part of Japan's leaders has been responsible for reports from Tokyo to the effect that Japanese diplomacy will now be directed primarily to the winning over of the United States to the Japanese point of view with regard to the new situation in the Far East. In this connection, the *Ta Wan Pao*, one of the leading Chinese papers in Shanghai published a dispatch from its correspondent in Tokyo stating that Japanese policy would be directed along the following lines,

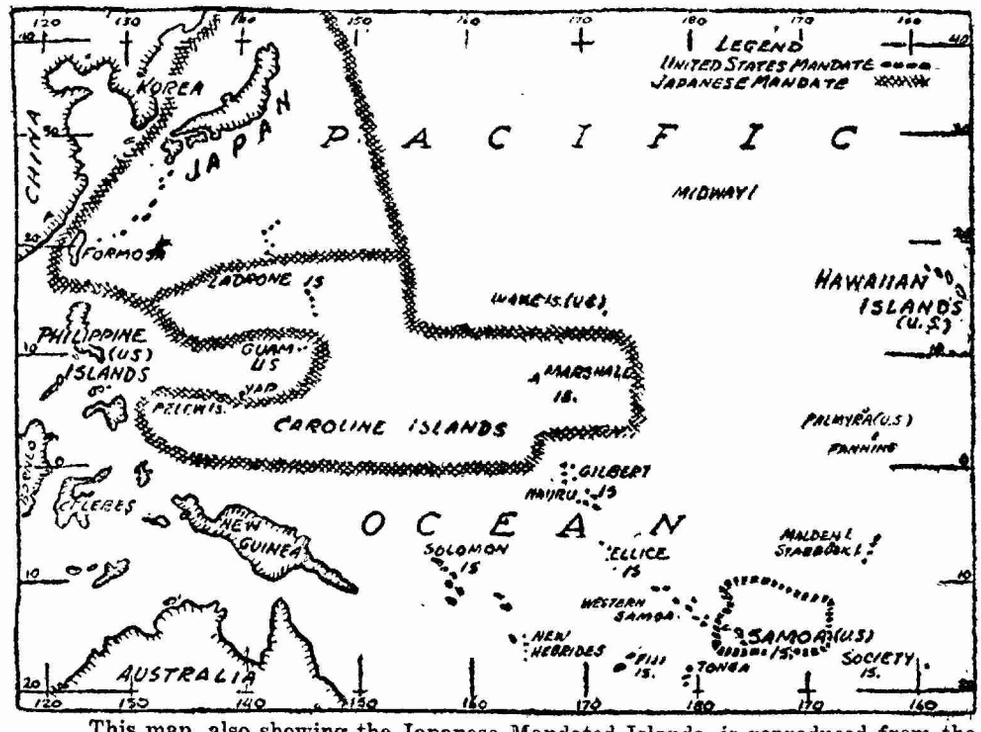
1.—During the forthcoming conversations at Washington, Japan will not bring up any political proposals, leaving the initiative on this subject to the United States.

2.—In case the United States Government should bring up the Manchurian issue, Japan will reject any discussion of the subject on the ground that the independence of Manchukuo is already an accomplished fact; hence Japan will strongly oppose any discussion of this issue with the American Government or other Powers.

3.—Japan will propose the conclusion of a so-called "Gentleman's Agreement" in the Far East and invite the cooperation of the United States and


CHINA
JAPAN
PACIFIC OCEAN
NORTH
PHILIPPINE ISLANDS
JAPANESE MANDATE
HAWAIIAN ISLANDS
MARIANAS (MARIANNE) ISLANDS
CAROLINE ISLANDS
MARSHALL ISLANDS
GILBERT IS.
TROPIC OF CANCER
EQUATOR
INTERNATIONAL DATE LINE
SOUTH CHINA SEA
EAST INDIES
DUTCH EAST INDIES
BORNEO
SIAM
BURMA
MALAY PEN.
Java Sea
Banda Sea
Arafura Sea
Timor Sea
Coral Sea
Gulf of Carpentaria
Torres Str.
BISMARCK ARCHIPELAGO
SOLOMON ISLANDS
LOUISIADE ARCHIPELAGO
SANTA CRUZ IS.
BANKS IS.
NEW HEBRIDES
NEW CALEDONIA
NEW GUINEA
NAURU
ELLICE ISLANDS
TOKELAU IS. (UNION)
PHOENIX IS.
HOWLAND I.
BAKER I.
JARVIS I.
PALMYRA I.
WASHINGTON I.
FANNING I.
CHRISTMAS I.
MALDEN I.
STARBUCK I.
PENRHYN I.
MANIHIKI IS.
VOSTOK I.
CAROLINE ATOLL
FLINT I.
MIDWAY IS.
GARDNER I.
NECKER I.
KAUAI
OAHU
HONOLULU
MAUI
HAWAII
JOHNSTON I.
WAKE I.
OGASAWARA IS.
PALAU IS.
YAP
GUAM
SAMOA IS.
TUTUILA
APIA
Shanghai
Tokyo
Hongkong
Manila
Singapore
Batavia
Palembang
Padang
Darwin
Amoy
Foochow
Wenchow
Ningpo
Changsha
Taiwan (Formosa)
Swatow
Canton
Haikou
Saigon
Bangkok
Rangoon
Halmahera (Gilolo)
Celebes Sea
Sulu Sea
Sunda Str.
Banka Str.
Sumba
Timor
Celebes
Moluccas
Kyushu
Shikoku
Honshu
Hainan
Formosa
Luzon
Mindanao
Sulu Archipelago
Ryukyu Is.
Bismarck Archipelago
New Britain
New Ireland
Solomon Islands
Santa Cruz Is.
Banks Is.
Louisiade Archipelago
Ellice Islands
Tokelau Is. (Union)
Phoenix Is.
Howland I. (Br.)
Baker I. (Br.)
Jarvis I.
Palmyra I. (U.S.A.)
Washington I. (Br.)
Fanning I. (Br.)
Christmas I.
Malden I. (Br.)
Starbuck I. (Br.)
Penrhyn I. (Cook Is.) (N.Z.)
Manihiki Is. (N.Z.)
Vostok I. (Br.)
Caroline Atoll (Br.)
Flint I. (Br.)
Midway Is. (U.S.A.)
Gardner I. (U.S.A.)
Necker I. (U.S.A.)
Kauai
Oahu
Honolulu
Maui
Hawaii
Johnston I. (U.S.A.)
Wake I. (U.S.A.)
Ogasawara Is. (Japan)
Palau Is. (Pelew Is.) (Japan Mandate)
Yap (Japan)
Guam (U.S.A.)
Marianas (Marianne) Islands (Japan Mandate)
Caroline Islands (Mandate to Japan)
Marshall Islands (Mandate to Japan)
Nauru (Br. Mandate)
Gilbert Is. (Br.)
Samoa Is.
Tutuila
Apia
Nauru (Br.)
Ellice Islands (Br.)
Tokelau Is. (Union) (N.Z. Admin.)
Phoenix Is. (Br.)
Howland I. (Br.)
Baker I. (Br.)
Jarvis I.
Palmyra I. (U.S.A.)
Washington I. (Br.)
Fanning I. (Br.)
Christmas I.
Malden I. (Br.)
Starbuck I. (Br.)
Penrhyn I. (Cook Is.) (N.Z.)
Manihiki Is. (N.Z.)
Vostok I. (Br.)
Caroline Atoll (Br.)
Flint I. (Br.)
Santa Cruz Is. (Br.)
Banks Is. (Br.)
Louisiade Archipelago (Admy.)
Solomon Islands (Br.)
Bismarck Archipelago (Admy.)
New Britain
New Ireland
New Hebrides
New Caledonia
New Guinea
Celebes
Moluccas
Timor
Sumba
Sunda Str.
Banka Str.
Java Sea
Banda Sea
Arafura Sea
Timor Sea
Coral Sea
Gulf of Carpentaria
Torres Str.
Celebes Sea
Sulu Sea
Sulu Archipelago
Ryukyu Is.
Kyushu
Shikoku
Honshu
Hainan
Formosa
Luzon
Mindanao
Malay Pen.
Malay States (Br.)
Christmas I. (Br.)
Cocos Is. (Br.)
Celebes
Moluccas
Timor
Sumba

makes it necessary for her to greatly augment her present armament and on this question she likewise will not accept dictation by any other Power or group of powers. Substantially the same thing will be said about Japan's continued control of the so-called Mandated Islands in the South Pacific, the administration of which gives Japan an important strategic position in the naval domination of the Pacific, or at least that part west of Honolulu. Japan's case, of course, will not be put so bluntly, but this is what the Tokyo war-lords mean when they talk about the "Peace of the Far East," and an "Asiatic Monroe Doctrine." There will be an abundance of propaganda about Japan's stabilizing influence in Asia, about Japan's blocking Soviet communism in Asia and about Japan's efforts in putting an end to anarchy in China, but the whole situation can be boiled down to Japan's military domination of Asia and the use of the human and material resources of Asia in the creation of an Imperial Empire that shortly will be in a position to test its military strength with other world Powers. Naturally the Japanese will insist that the methods they have used have differed little from the methods used by other great Powers in working out their destinies in the past, and despite the talk about a new deal in international affairs since the world war, the ancient rule of force is still the guiding principle in world affairs.



This map, also showing the Japanese Mandated Islands, is reproduced from the *Kansas City Star* for Feb. 23. It was accompanied by an article which was headed, "There's Something Ominous About War Games Played in the Pacific." The article referred to the recent U. S. naval maneuvers in the vicinity of the Hawaiian Islands and to Japan's plans to hold her naval maneuvers on a much grander scale than previously, this time in the vicinity of the Mandated Islands to the east and northeast of the Philippines during the coming August. The article quoted a Japanese spokesman at Geneva as declaring, "There is no question that we are in possession of the Islands and the League cannot say anything. If anyone wants them, let them try to come and take them." With regard to the recent report that Japan is building harbors and fortifications, the Japanese Navy authorities were ready with a denial and a plausible explanation that the harbor works were necessary because of the increased trade in sugar.

Japan will ask the world to recognize this situation, in exchange for which she will be willing to cooperate in various ways to restore world prosperity. But whether the other nations recognize it or not, the Tokyo war-lords will maintain their position even at the risk of precipitating another world war.

It naturally is impossible to venture a forecast of America's probable reactions to the present crisis, for crisis it is from every possible point of view. In the first place it is obvious to all that the American people assuredly do not wish to become involved in another world war, particularly in view of the general realization that present world complications as well as domestic complications in most countries are a direct result of the last one. The recent political overturn in American politics was largely a reaction from the previous administration's alleged dabbling in world affairs to the neglect of the domestic situation. Hence the primary consideration of the present Democratic administration in Washington must be domestic rehabilitation in the shortest possible time in order to start the wheels of industry in motion and relieve unemployment. Any ventures into world affairs which President Roosevelt will make, must have as their chief objective, the improvement of the domestic situation in the United States, hence the present prominence of questions affecting world economics, currency and exchange stabilization, tariff adjustments and similar matters.

However, there is no questioning the fact that recent developments in the Far East have produced a deep impression upon thinking Americans, this being evidenced in various ways. Sufficient time has not yet elapsed to permit a crystallisation of public opinion along any definite line of policy, but some of the present tendencies are worth mentioning. Of first importance, possibly is the feeling that America should stay out of the Far Eastern "mess" and attend to her own affairs. This point of view is expressed in the attitude of the *Hearst* newspapers and the *Chicago Tribune* that America should not interfere with China and Japan, but should immediately proceed to the upbuilding of America's own defences, particularly on the sea and in the air. Along with this attitude is the feeling prevalent particularly on the Pacific Coast, that if Japan is given a free hand in Asia she will be sufficiently occupied in her own sphere so that she will not bother the Occident in other ways. Then there is the exactly opposite attitude widely held in the eastern part of the country that the United

States should participate actively in the Far Eastern situation and try to find a solution either in cooperation with the League of Nations or through the machinery provided in the Nine-Power and other Washington Conference Treaties of 1921-1922. Then finally, there is the well defined attitude held in high places in Washington that the only way to deal with Japan is through the use of force, or demonstration of force, either by the United States individually or in cooperation with Great Britain and France. What the final attitude of the United States will be on these divergent points of view remains to be seen. A careful analysis of the three outstanding points of view, briefly summarized as (1) Isolation, (2) Cooperation and (3) Use of Force, shows that there really is not much difference between (1) and (3) for if the United States should decide not to interfere in the Far East, but stay at home and build up her own defences, it would amount in the long run to the use of force when the time came to settle issues with Japan. As a matter of fact there are many influential persons in the United States, who believe that ultimately the United States will be compelled to join the League of Nations and in that manner seek a peaceful settlement of the issue in cooperation with the other nations, or on the other hand make definite preparations for war with Japan. In the meantime the likelihood seems to be that the present administration probably will do no more than continue the negative "non-recognition" policy of the last administration, unless, of course something should happen in the Far East that would preciptate a serious issue and compel the Government to act. That there always is the possibility of such a development where an irresponsible military clique is in control of a country such as is the case in Japan, goes without saying.

In many respects the situation now facing the American people is quite similar to that which developed after the beginning of the world war in 1914. There was a strong feeling among Americans that they should stay out of it; that it was not their fight. This feeling was so pronounced that President Wilson was elected to a second term on the slogan "He Kept Us Out of War." But the decision on the part of the country's leaders in 1914, 1915 and 1916, to stay out of the European mess, was quickly changed to active participation the following year when the country became so deeply involved that war seemed preferable to continued isolation. An exactly similar situation is likely to develop with respect to the present situation in the Far East for we have the same conflicting propagandas with pressure from various quarters to take this or that line of action. There is no question but what certain powerful interests in Europe would like to see the United States become involved in a long and costly struggle with Japan. The Soviet Russians, for example, openly forecast serious trouble between America and Japan, but on the other hand there are many in the United States who foresee equally serious trouble between Japan and the Soviets. In both cases the thought is inspired by a definite desire to see such eventualities. As for the European interests which would like to see a war between America and Japan, they are likewise inspired by equally selfish motives for such a struggle would enable European nations to recoup their fortunes which were shattered in the world war.

The situation is therefore highly explosive and is tremendously complicated by the devastating economic crisis which in the past usually has been a prelude to outbreaks of war. As a matter of fact there are some persons in high places in the United States who openly advocate a war as a means of solving the domestic crisis. It would be one means, temporary, of course, but practical, for ending the unemployment situation by putting all able-bodied men in the army and navy. Also, it would provide unlimited employment in the ship-yards and machine-shops in the construction of warships and implements of war. As the situation stands at present on the eve of the discussions at Washington, participated in by delegates from China and Japan and the administration leaders at Washington, it seems fairly reasonable to conclude that the United States will take no radical step in any direction, but may attempt to bring about a compromise of the conflicting views of China and Japan. This means there probably will be no more immediate active participation in the Far Eastern muddle on the part of President Roosevelt than occurred during the Hoover-Stimson regime. As for the possibilities of serious trouble between America and Japan, this is unlikely until the situation becomes so serious that America will be forced to intervene. If the United States intervened in the world war to prevent world domination by the Prussian military clique, the same issue probably will sooner or later compel American intervention in the Far East for the Japanese military clique is equally as dangerous from the standpoint of future world peace. This means in the last analysis that America probably will not intervene in the present trouble between China and Japan until the issue becomes more clear-cut, which in more simple language means there will be no American intervention until American interests are directly menaced and it becomes more clearly America's "war."

In the meantime Japanese diplomats, propagandists and apologists will probably continue to tell the American people, as Mr. Matsuoka did on his recent trip across the United States that the American fleet should be removed from the Pacific in order to prevent "misunderstanding" in Japan while the Tokyo war-lords are putting over their ambitious program on the Asiatic continent.

Since the foregoing paragraphs were written a *Reuter* report from New York published in the local newspapers quoted leading American business and financial leaders as declaring that there is little possibility of economic recovery so long as there is a threat of war. Each nation is now striving to make itself economically self-sufficient and this is having the effect of throttling world trade. The chief object of the forthcoming Economic Conference in London is to devise methods by which nations may again exchange their huge surpluses of goods through normal flow of world trade. However, it is not believed that many nations will be ageeable to make themselves dependent upon foreign markets so long as war clouds hang over the world.

Nanking-Canton Politics and the Japanese Menace

THE Chinese newspapers this week printed two brief but significant dispatches, one from Nanchang and the other from Canton, which should have caused serious thought on the part of the Chinese people. The dispatch from Nanchang, which was circulated through *Kuomin* service, quoted a circular telegram which had been issued by Gen. Chiang Kai-shek wherein he strongly advised the southern leaders to assume their respective posts in the anti-red campaign. The other telegram which appeared in a Hongkong newspaper stated that the Cantonese leaders had sent a telegram to the Nanking Government demanding that Gen. Chiang Kai-shek proceed to north China immediately and assume personal command of the war operations against Japan. They also warned Nanking against the conclusion of any armistice, temporary or otherwise, with the Japanese.

These two telegrams, one from Gen. Chiang Kai-shek urging the southern leaders to proceed with the anti-red drive, and the other from the Cantonese leaders urging Gen. Chiang to proceed to the northern front and take commend of the anti-Japanese operations, told the whole sorry story of China's failure to make more effective opposition to either the bandits or the Japanese. However, it didn't require these two telegrams to inform the Chinese people that all is not well in the domestic political situation, despite the fact there appears to have been some improvement in recent days. For many weeks the Chinese papers have been filled with declarations, charges and counter-charges, from Nanking and Canton, but the whole story can be boiled down to this: Gen. Chiang Kai-shek cannot proceed to the northern front and assume direct command because he fears Canton would take advantage of the situation to seize control of the Central Government. As for the Cantonese they have been doing much talking about Nanking's failure to take a more definite stand against Japanese aggression in the north, but at the same time have failed to take any definite action against the red-bandits who are menacing the borders of the southern provinces. The result has been a deadlock all around which has greatly simplified the Japanese campaign in the north for the Japanese have only had to deal with the small, poorly equipped northern armies. And to make the situation still worse, there has been considerable evidence of intrigue against the Central authorities even in the north, said intrigue centering about the activities of Marshal Feng Yu-hsiang and some of his former subordinates.

As for the so-called red-bandits in Kiangsi and other southern provinces, the mystery still exists as to their sources of arms and munition supplies. They never have had access to an ocean or river port, but still they manage to obtain sufficient military supplies to put up effective resistance against the Government troops. Obviously the red leaders must obtain supplies from some source and it is equally obvious that the old charge that they were being supplied by the Soviet Russians cannot be entertained for there is no way in which the Russians could get arms to their Chinese sympathizers in the interior provinces. There have been reports from Nanking charging the Japanese with supplying guns to the red bands, but while the Japanese doubtless would do so if they had an opportunity, the actual transport is impossible for, as stated, the reds do not have access to the sea coast or navigable rivers where ships might dock.

There isn't much question in the minds of foreign military observers that the Chinese might win out in their present complications with Japan, if the Chinese military and political leaders had sufficient intelligence and patriotism to get together and adopt a unified policy. Japan has a vast superiority in military equipment but there is an obvious limit to the number of troops which the Japanese military clique can afford to send to the continent and at the same time maintain their position at home. Japan is seething with political and social unrest to such an extent that one often wonders whether the so-called red-menace is not worse in Japan even than it is in China. Almost every week one reads of communist round-ups in Japan which involve arrests ranging from 100 to 500 and in some cases as high as 1,000. Then there is the economic and financial distress which is driving the country's leaders to distraction. The Finance Minister, Mr. Takahashi, knowing his complete inability to solve the problem wants to resign, but the Tokyo war-lords compel him to remain in office, knowing that if he resigns the whole Cabinet is likely to collapse and thus precipitate a dangerous domestic situation. When the Japanese police arrest as many as 90 youths in one day for attempting suicide by jumping into the crater of a volcano, this surely indicates a dangerous situation which requires no elaboration.

But the Japanese war-lords fight on, because they know there is a strong possibility of ultimate victory due to dissension among their enemies the Chinese. And worse, the Japanese are sending a strong delegation to Washington and London with the object of making another appeal to the Occidental Powers for cooperation in the establishment of international control of China. No one realizes better than the Japanese militarists themselves the dangers of their own position. They have started something which they cannot stop, for any stopping or sign of weakness now, might prove their own undoing at the hands of their own outraged countrymen. Therefore the high necessity for Chinese unity at this stage for one decisive Chinese victory might cause the whole Japanese military show to crumple up and thus provide opportunity for the oppressed, tax-ridden, down-trodden Japanese people to throw off the military incubus which has discredited their country in every corner of the world.

The *Japan Chronicle*, liberal British paper published at Kobe, printed in its issue of May 6 a complete account, written by a southern Chinese which throws considerable light on the attempt of certain southern Chinese leaders to obtain Japanese support for their rebellion against Nanking in 1931. This occurred only a

few weeks prior to the Japanese move into Mukden in the fall of that year and from the account there appears a likelihood that this intrigue may have had considerable to do in precipitating the Japanese intervention. A few days ago a well known Chinese military leader, former governor of a province, was assassinated in Peiping, his assassination being the outcome of a Japanese plot to create a puppet administration in the north. The plot apparently has been suppressed, but the fact stands, that the Japanese were paying and using Chinese citizens to accomplish their ends. Often it has been said that the Chinese are their own worst enemies and a continuance of the present deadlock in China's domestic affairs goes a long way toward proving the allegation. An indefinite continuance of the present situation can have only one outcome—the complete defeat of China by Japan and the ultimate division or control of the country by China's powerful enemies who are but awaiting the opportunity for devouring the carcass.

***

Canton Faction Will Not Send Delegates to Nanking

The Southwestern authorities at a meeting May 3 decided that the Canton faction of the Kuomintang will not send delegates to the forthcoming plenary session of the Kuomintang at Nanking. Other resolutions adopted at the meeting included an investigation into the real motives of the recent Japanese withdrawal from east of the Luan river and the immediate despatch of an expeditionary force to the north to resist the Japanese.

Pan Tan-ming, who proceeded to Canton recently as a representative of the Shanghai members of the Central Executive Committee, had many conferences with various political leaders in the Southern city during the week.

The "war fever" which has been sweeping through Canton has so far not shown any sign of abatement. Preparations are stated to be under way to give the so-called Southwestern Expeditionary Force a rousing send-off when it leaves the South for the northern "front," but the date of its departure has not yet been fixed. Several public bodies in Canton have purchased 3,000 big swords for the troops, reports to the Chinese press having stated that magnificent use of these weapons had been made by the Chinese forces along the Great Wall in ferocious hand-to-hand fighting.

Eugene Chen, formerly Minister of Foreign Affairs, accepted the appointment of the Kuomintang South-west Executive Committee as a member of the South-west Political Council. General Tsai Ting-kai of the Nineteenth Route Army and Mr. Chen have been in frequent communication.

The Canton authorities are greatly dissatisfied with the recent criticism make by Sun Fo at Shanghai in which he attacked the Southwest Political Council for withholding support from the Government in the communist suppression campaign in Kiangsi.

War Likely to Be Renewed in Szechuen

Troop movements of the rival forces under Generals Teng Hsi-hou and Liu Wen-huei in Szechuen are in full swing, recent telegrams from that area reported. Troops are massing rapidly in the region between Chienyang and Lochih in central Szechuen, and a fresh outbreak of civil war is feared. General Liu Hsiang controls all the rich areas in the province and pushes the rest of the militarists off to the already impoverished regions in the north and west. It is said that last month an armed clash occurred between the troops under Li Chi-hsiang and those under Lo Cheh-chow over the control of a certain opium area. The relations between these two forces are still tense. A recent Chinese message from Hankow stated that as these warlords must find money to support their huge armies, their only course is to rob the land from their rival generals.

Civil War in Kweichow

In spite of reports to the contrary, civil war in Kweichow is now in full swing, a recent telegram from Chungking stated. The opposition army against General Chiang Tsai-cheng has veen very successful in its military operations and is reported to have occupied Tsunyi.

Will Cantonese Help in Bandit Suppression?

A recent Nanking telegram stated that as the cooperation of the Southwestern authorities for the joint suppression of the "Reds" was definitely assured, the Central authorities have enlarged the bandit-suppression area to include the five provinces of Kiangsi, Kwangtung, Fukien, Hunan and Hupeh and the Honan-Hupeh-Anhwei border regions.

In compliance with the petition of General Chiang Kai-shek, President of the Military Affairs Commission, mandates have been issued by the National Government appointing Generals Chen Chi-tang, Ho Chien and Liu Chih as, respectively, Commander-in-Chief of the Southern, Western and Northern Routes of the Bandit-suppression Forces for the provinces of Kiangsi, Kwangtung, Fukien, Hunan and Hupeh; and General Liu Chen-hua, as Commander-in-Chief of the Bandit-suppression forces for the Honan-Hupei-Anhwei border regions.

General Chiang Kai-shek sent another telegram to General Chen Chi-tang at Canton May 1 urging him to send his troops to Kiangsi immediately in view of the serious communist menace in that province. General Chiang said the situation in North China required his presence there, so he has decided to leave for the North in a few days. The Generalissimo added that, during his absence, General Chen Chi-tang will be held responsible for the Communist suppression movement in Kiangsi and, should any untoward incident happen, General Chen would be solely responsible.

In reply to various telegrams from the city Kuomintang authorities of Shanghai, Nanking and Hankow urging the Kwangsi army to resist the Japanese and to subdue the reds, General Li Chung-jen, commander in chief of the fourth group army, and General Pai Chung-hsi, second in command, stated in Canton May 4 that one division had already been sent to Kiangsi to suppress the reds.

The Nanking City Party Headquarters recently despatched a telegram to Hu Han-min, veteran Party leader, urging him to come immediately to Nanking to share in the responsibility for coping with the present national crisis.

The Government policy of employing airplanes to bomb the Communist area in Kiangsi has met with considerable success, a recent Nanchang telegram stated.

According to the latest official reports from the war area, the Communist strongholds at Kukang and Nantsun, in the Red area in western Kiangsi, have been practically demolished by the 3rd Government air squadron, which has also inflicted heavy casualties on the Communists. Peng Teh-huai, Commander of the Third Communist Army Corps, is reported to have been killed during an air raid as well as two other Red divisional commanders.

A conference to discuss effectual means of suppressing the remnant "Reds" in eastern Hupeh was held by General Liu Chen-hua, newly appointed Commander-in-Chief of the Bandit-suppression Forces for the Honan-Hupeh-Anhwei border regions, General Tsao Hao-sen, Chief-of-Staff to the Commander-in-Chief's Headquarters of the Bandit-suppression Forces for the Honan-Hupeh-Anhwei border and General Ho Cheng-chun, Director of the Hankow Pacification Headquarters in Hankow May 7.

Fourteen students belonging to the College of Literature of the National Normal University who were arrested by gendarmes at Peiping on the night of May 2, have been transferred to Nanking and will be tried on the charge of belonging to a communist organization.

Manchukuo Spy Is Murdered in Peiping Legation Quarter

General Chang Ching-yao, former Military Governor of Hunan, who was shot by two unknown Chinese in the Wagon Lits Hotel in Legation Quarter in Peiping, died of his wounds in the German Hospital on the evening of May 8. General Chang's wife, who was held by the Legation Quarter Peiping police after the incident, has been handed over to the police authorities for trial. Another five Chinese

suspects believed to belong to the same group as General Chang were also arrested and handed over to the police authorities. One of Chang's followers escaped into the Japanese barracks while he was being marched to the police station from the Hotel de Wagon Lits, and the Chinese authorities are trying to arrange for his extradition. A telegram in the *Shun Pao* says that General Chang was the man who was really behind the recent plot to assassinate General Yu Hsueh-chung.

The Chinese papers allege that Chang was a spy for Manchukuo and as such received several million dollars from the puppet Manchukuo regime. He was appointed "Commander of the 2nd Group Army" and his job was to start uprisings in North China. The Chinese papers describe his fate as that which such a renegade deserved.

Wang Ching-wei Says Sinkiang Situation Is Easier

The situation in Sinkiang has eased considerably, Wang Ching-wei, President of the Executive Yuan, intimated at Nanking May 5. Attributing the trouble to blunders made by General Chin Shu-jen, President Wang emphasized that the Mohammedans had always been loyal and obedient to the Central Government. General Huang Mu-sung, the newly appointed Pacification Commissioner to Sinkiang, was held in high esteem by the Mohammedans, he said. He was confident therefore that General Huang would be able to carry out his mission successfully.

More than forty delegates, representing the various public bodies in Sinkiang, are on their way to Nanking from Lanchow to place their grievances before the Government. It is understood that the Sinkiang public, while welcoming General Huang Mu-sung's visit to that province, are anxious to see General Ma Chung-yin, a Mohammedan General in Sinkiang, appointed Chairman.

General Huang Mu-sung has postponed his departure from Nanking.

Representatives of the Mohammedans in Sinkiang arrived in Nanking during the week. Mr. Aishapok, Chief of the Delegation, gave a speech at the Central University May 7 giving a detailed account of the recent disturbances in Sinkiang.

According to a special telegram from Lanchow, the capital of Kansu, the recent uprising in Sinkiang was caused by the uncalled-for dismissal of a Moslem chief of Hami by General Chin Shu-jen of Sinkiang. After his dismissal, the Moslem chieftain was forced to give up his economic rights in that territory under military pressure.

Among the proposals submitted by the Mongolian and Tibetan Affairs Commission for the consideration of the Government regarding the settlement of the disturbance in Sinkiang is that the Nanking Government should take effective steps to effect a complete understanding with the Mohammedans in Sinkiang.

Wang Ching-wei, President of the Executive Yuan, last week telegraphed to the various Provincial Commissioners and members of the Provincial Government Committee of Sinkiang instructing them to carry on the provincial administration pending the appointment of a successor to General Chin Shu-jen, who recently resigned.

The National Government in a Mandate calls upon the people of Sinkiang to refrain from lawless actions and to await a peaceful settlement by the Government. In it racial equality and freedom of conscience are described as constituting the basic planks of the Kuomantang platform.

Chinese telegram express the belief that General Su Ping-wen, the Chinese general who fought against the Japanese troops at Manchuli, will be given an important appointment in Sinkiang. At present General Su's troops, which retreated to Sinkiang from Soviet Russia recently, are stated to be in control of the situation.

Manchukuo Introduces New System for Jehol Opium

The Manchukuo Government has adopted the purchasing method with regard to opium instead of a strict monopoloy system. Opium purchasing agencies have been established at Chengte, Lingyuan, Chihfeng and other places. Arrangements have been made to establish a customs office at Chengte, and its branch offices at important points along the Great Wall, among them Kupeikow, and already a customs commissioner and several customs officials have taken up their duties at Chengte.

Reporting on the progress of economic and financial rehabilitation work in Jehol Province since the completion of the pacification expedition, a recent statement issued by the Manchukuo Government at Changchun mentions that all direct taxes including maritime customs duties, salt gabelle and opium tax will go to the Manchukuo national treasury, while indirect taxes on all products of Jehol, of which the most important is opium, will be allocated to the expenditures of the Province. The opium cultivation tax of 10 yuan per mow (1/6 of an acre), which was levied under the rule of Tang Yu-lin, has been reduced to 5 yuan: at this reduced rate financial authorities estimate that some 3,000,000 yuan can still be collected, the area cultivated being about 600,000 mow.

Dr. Cheou-kang Sie Honored by Belgian Government

Dr. Cheou-kang Sie (otherwise known as Hsieh Shou-kang), former Chinese Charge d'Affaires in Belgium and now member of Legislative Yuan, has been awarded a commendation order of "Commander de la Courenne" by King Albert of Belgium for his services in promoting Sino-Belgian diplomatic and cultural understanding during his tenure of office, according to a report received by the Ministry of Foreign Affairs from th Chinese Legation at Brussels. Dr. Sie is a native of Kanchow, Kiangsi province and a graduate of University of Brussels with the degree of Ph. D. in economics and also of the School of Political Science of the Paris University. He is the author of several distinguished papers on political economy and diplomacy and a man of literary talent. During his student days in Belgium, he wrote a play entitled "The Broken Jade" which was acted on the stage at the Royal Theatre in Brussels and won him a great reputation in Europe. His latest book "East and West" which was recently reviewed in the *Review's* book page is one of the best books in interpreting China to the West and is being widely read by the French-speaking world.

Dr. Cheou-kang Sie

U. S. Marines in Shanghai Receive Decorations from Nicaraguan Government

Admiral T. T. Taylor, Commander-in-Chief of the United States Asiatic Fleet, together with Lieut-Col. E. P. Moses, Executive Officer of the 4th U. S. Marines, reviewed the Fourth Regiment of Marines at the Race Course in Shanghai May 6 when eight enlisted men were decorated for courage under fire or meritorious service in Nicaragua, while another received a special letter of commendation from the U. S. Secretary of Navy, for rescuing a comrade from drowning. Col. Fred D. Kilgore, commanding officer of the regiment, was unable to officiate, due to illnes. The nine men who were decorated are enlisted men in the United States Marine Corps, seven of them receiving their awards direct from the Nicaraguan Government over the hand and seal of its President. There were: Gunnery Serg. Chester A. Davis, Sergt. Harry E. Kipp, Cpl. Cecil D. Snyder, Sergt. Wilfred S. Le Francois, Cpl. Lyman S. Wriston, Cpl. Anthony J. Billingham. Cpl. Robert L. Bryan Pte. First Class Henry V. Adams, and Pte. Ralph Le R. Spencer.

Japanese Once More Move South of Great Wall

Basing their move on the alleged "provocative" actions of the Chinese troops under General Ho Ying-ching, the Japanese early in the week started a drive south of the Great Wall with a view of "dealing drastically" with the Chinese. A battle which ensued at Chienan on May 8 was described in Japanese dispatches "as the hottest battle in the present drive." The Japanese admitted about 100 casualties, claiming at the same time to have found 700 Chinese dead bodies in that region, out of about 1,500 casualties.

In the coastal triangle east of Luanho, the fighting on May 8 was mostly confined to artillery duels.

The combined Japanese and "Manchukuo" units commenced their second invasion of the area east of the Luan River on the night of May 7. The renewed activities of Japanese troops within the Great Wall have been on such an extensive scale that the State Department at Washington has been beseiged with enquiries as to whether additional troops would be sent to Tientsin and Peiping to protect Americans in that area. State department officials let it be known that Minister Nelson T. Johnson had it in his discretion to decide on the measures to be taken and he had not requested additional forces. The State Department issued an emphatic denial May 8 that the United States had promised to intervene between China and Japan in case the Japanese captured Peiping.

The Japanese advance, with the Takata, Matsuda and Hiraga brigades began in the night of the May 7 for the announced purpose of again expelling the Chinese east of the Luan River.

The "Provocative" Chinese

The situation along the Great Wall and the Luanho river for about a week had became a sort of stalemate. The state of affairs in that region was described in the following words spoken by Japanese War Minister Araki in Japan May 5, "While the Japanese troops have, in strict accordance with their declaration, evacuated as far north as the Great Wall line, the Kwanturg Army will be ready to take up a drastic action should Chinese troops continue provocative operations against the Japanese." War Minister Araki, in concluding his interview, emphasized that one must make a strict distinction between the Great Wall line and North China.

The same idea was expressed by a Tokyo Foreign office spokesman May 13 who said: "If fresh operations are undertaken south of the Great Wall they are likely to be on a bigger scale than before as the Japanese army is losing patience and is determined to terminate the constant Chinese attacks along the Great Wall."

Japanese Issue Warning to Chinese Forces Along Luan River

Early on the morning of May 4 a Japanese courier brought a latter of warning from the Japanese military authorities to the Chinese commander at Peitaiho demanding that neither Chinese or Japanese troops should be stationed in the district east of the Luan River and that the Chinese troops now east of the River must withdraw immediately.

"Chinese Luring Us to Advance" Say Japanese War Office

"The Chinese are hoping to lure us into advancing into the Peiping and Tientsin area for the purpose of causing complications with the Powers, but we have no intention of being dragged into the trap," is the way a Japanese War Office spokesman expresed it.

It was stated at the Japanese War Office May 8 that according to information which had reached there, T. V. Soong, the Chinese Minister of Finance now in Washington, had cabled Nanking urging that an armistice be not concluded, as he hoped to persuade America to intervene, if the Japanese could be drawn to Peiping.

A Japanese scouting plane brought down by gunners of the 26th Army under General Hsiao Chi-chu at Hsinglung Shan (Mountain) outside the Great Wall was transported to Peiping where it arrived May 2. The plane was equipped with radio sets and two machine guns.

On the Nantienmen front May 6 the Japanese continued discharging artillery on the Chinese entrenchments at Shangtientze. Two Japanese planes dropped more than 10 bombs over the rear of the Chinese defence works there.

Telegrams in the Chinese newspapers from many different towns all tell pretty much the same story, namely that most of the destruction caused by the Japanese is the work of bombing planes. One message from Miyun, a city immdiately inside Kupeikow, was made a mass of ruins, similar to Chapei after the onslaught in Shanghai over a year ago. Lulung, Chienan and Funing were among the Chinese towns bombed by the Japanese, with disastrous results.

Japanese authorities at Peking, May 5, expressed their regret at the damage done to the Methodist Mission outstation during the bombing at Miyun recently. They also stated that they would make good the damage.

Peitaiho Occupied by Japanese

Hostilities were opened in the Chinwangtao and Peitaiho area May 6. The Chinese having refused to comply with the Japanese demand for their withdrawal from the districts east of the Luan River by Saturday night—the time limit of the Japanese verbal ultimatum—a Japanese armored train drove down from Chinwangtao to Peitaiho on Sunday evening and opened fire on a Chinese armored train. An artillery duel raged until 10 a.m., when the Chinese train retired to Liushouying and the Japanese train then arrived and "occupied" Peitaiho. There were also heavy artillery exchanges May 7 between Chinese and Japanese forces at Funing and Chienan, inside the Great Wall, north-west of Peitaiho.

Chinese telegrams from Peiping May 7 stated that the Japanese troops east of the Luan River had commenced their second invasion of the area, a large contingent advancing on Tsaikochuang near Peitaiho on the evening of May 6. Manchukuo units simultaneously approached the Chinese position at Changchiamafang, west of Peitaiho.

The Japanese commander at Chinwangtao had requested General Ho Chu-kuo to proceed to the port for a conference May 4 but the latter ignored the request. Owing to the Japanese commander's insistance, General Ho deputed his chief-of-staff, Col. Chen, to inquire into the motive of the Japanese request. The Japanese said that the advance of the Chinese army into the Luantung area had created a menace to the Manchukuo Government. They demanded that the area be demilitarized and called for an almost immediate reply before 7 p.m, May 6. They threatened to bomb the Chinese troops by airplane if the latter failed to comply.

Alleged "Suspicious" Movements by General Feng Adherent

Movements of the troops of General Fang Chen-wu, former chairman of Anhwei province and a close adherent of Marshal Feng Yu-hsiang, have been looked on with considerable suspicion of late. For some time General Fang has been negotiating with the Peiping Branch Military Council for a monthly allowance of $160,000 for the upkeep of his men, but so far without success.

Rumors that Marshal Wu Pei-fu had gone to Tientsin were declared to be false by General Yu Hsueh-chung Governor of Hopei and former subordinate officer of the retired Chihli commander, in an interview at Peiping May 3. General Yu stated that the Marshal was still in Peiping and had repeatedly declared that he would not go over to Japan or the Manchukuo rebels under any circumstances.

Chinese Ship Wrecked Near Ningpo

The Ningpo-Shaoshing's steamer *Yung Hsin*, while on a journey from Foochow to Shanghai, went aground off Chusu Island, south of Ningpo, on the morning of May 1 during a heavy fog. In response to wireless messages the British steamer *Chipsing* responded, but made slow headway because of the fog and rain. The Captain of the stranded steamer made arrangements to land the passengers, about 400 hundred in number, on the island, which is a barren one. Rev. A. R. Ward and Miss Ruby Whitcome, who were among the passengers, elected to take their chances on board, and thereby probably escaped being carried away by a band of pirates who made off with 13 of the Chinese passengers. As it was, Mr. Ward and Miss Whitcome were robbed of everything they had on board. The *Chipsing*, brought 398 of the passengers to Shanghai. One of the Chinese women passengers died of exposure on the island. Efforts to salvage the *Yung Hsin* proved fruitless and she was declared a total loss. Chang Bi-wu, an official of the Foochow Salt Revenue Department, and two others on Government service, are among the victims of the pirates.

Sheep Raising in Jehol and Khingan

The Manchukuo government is drafting a 25-year plan for raising 25,000,000 sheep in Jehol and Khingan. At present 3,000,000 sheep are raised in Manchuria, mostly by Mongolians. Japan consumes more than twenty million pounds of wool annually, the greater part of which is imported from Australia.

The "Open Door" in Manchuria

The question of the "Open Door" in Manchuria has again come to the front prominently as the result of a a statement issued by the Manchukuo Government at Changchun, May 4, claiming that foreign merchants in Manchukuo are now doing "more prosperous business than during the old regime." The statement said that the Open Door policy enunciated in the Declaration of Independence, and repeated on several occasions later by the Government, "is being and will be pursued without modifications unless extraordinary, unforeseen events occur." "Manchukuo sees no necessity for resorting to any retaliatory measure, such as an economic boycott, which is the favorite weapon of China, against any country refusing to recognise her, but "it is only natural for her to show appreciation in some form or other for those countries which give her friendly assistance by recognizing her," the statement said.

The U. S. State Department announced in Washington, May 3, that it had been informed that the principle of the open door in Manchuria would be strictly maintained.

England May Send Trade Mission to Manchuria

Lieut.-Col. Smallwood, speaking at a meeting of the Far Eastern section of the London Chamber of Commerce May 8, advocated sending a trade mission from England to Manchukuo at the earliest possible moment and also the establishment of a committee in London to assist in the interchange of goods between the two countries. He said incidentally that an uncertain policy towards Manchukuo might lose Britain a very great amount of trade.

The *Sin Wen Pao* (Shanghai Chinese daily) in a recent editorial said: "The open door policy of Manchuria has already become a thing of the past. The Japanese are now the masters in Manchuria and the economic possibilities of Manchuria are at the complete disposal of the Japanese."

Koreans to Farm Manchukuo Lands

Four thousand Koreans, representing 800 families, have been selected and divided into twelve colonial groups to farm lands in Manchukuo. Provisions for the settlement of these Koreans on Manchurian farms were recently completed by the Government of Korea with the co-operation of the Japanese consulates in the South Manchuria Railway area.

Manchukuo foreshadows a new customs tariff to be announced during June. It is intimated that appraisals will be made at the various ports of entry.

Manchukuo Will Introduce Rigid Visa System

On and after June 1 it will be necessary for persons of foreign nationality to have visas on their passports showing official permission to enter Manchukuo, to reside there, or to pass through, according to new regulations announced in Dairen, April 27.

Pending the appointment of agencies abroad, visas are to be available at Manchuli and Suifenho on the Siberian frontiers; Dairen for travellers by way of the Kwantung Leased Territory; Antung, Huimotung, Umitobarainaya, Seoul and Rashin on the Korean frontier. The fee will be $10 in Manchukuo currency for an entry or $2 for a transit.

The announcement added that Manchoukuo will not recognise any visa granted by a diplomatic or consular office of the Republic of China on the passport of a traveller entering or passing through this country, or any passport visa, pass (Hu-chiao) or indentification card issued by the local authorities of the said Republic.

The Accountants Bureau of the State Council and the Department of Finance at Changchun are engaged in drawing up the budget estimates for the next fiscal year commencing July which are expected to reach $ 150,000,000, or more, as compared with $ 110,000,000 for the present year.

Gold Mining Company for North Heilungkiang

According to a spokesman of the Manchukuo Government, the creation of a gold mining company as a joint Japan-Manchukuo concern is now being planned, to be capitalized at 5,000,000 yen. Investigations of gold output in the northern part of Heilungkiang and other prospective gold fields are now being made and it is said that concrete plans for the establishment of the proposed company will be drawn up when these investigations have been completed.

A recent Dairen telegram stated that American engineers have applied for positions in the new state of Manchukuo, while a number of American manufacturers of building materials are desirous of selling their goods.

An industrial center 1,000 acres in area is being added to Mukden under the auspices of a joint Japanese-Manchukuo real estate company capitalized at 2,500,000 yen, a recent telegram from that city stated.

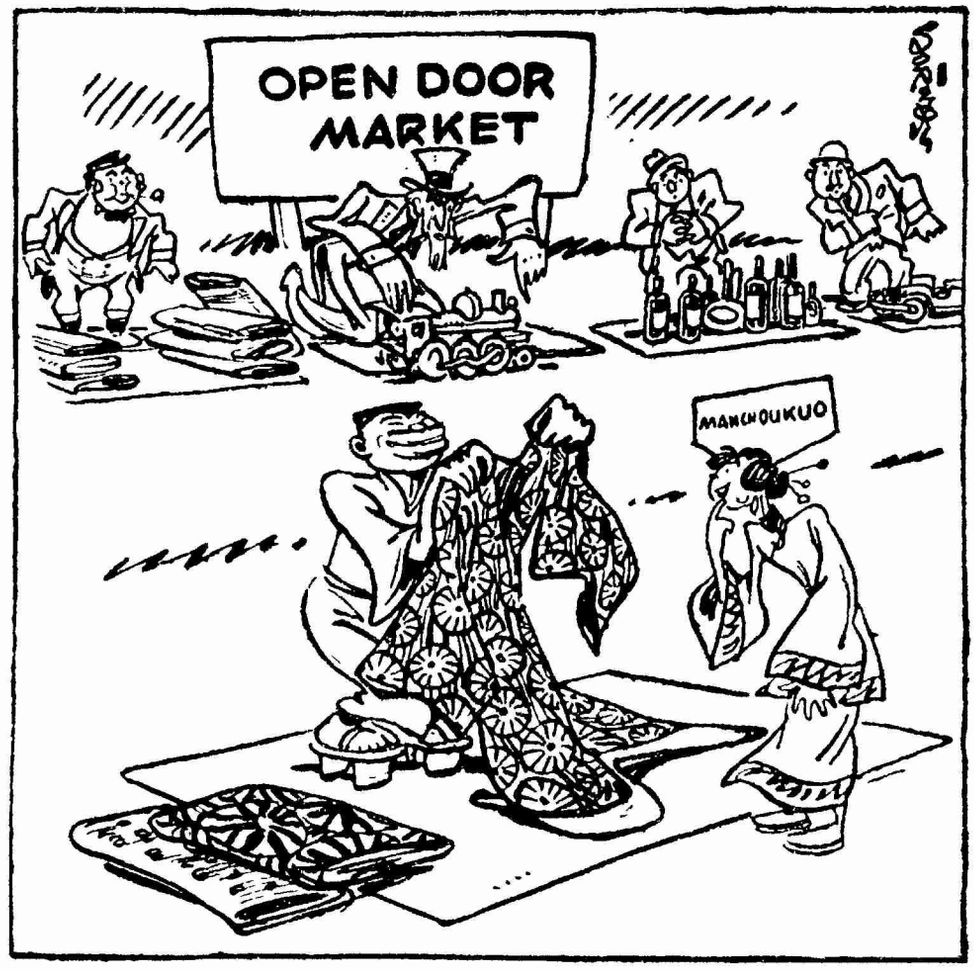
It was announced in Changchun May 5 that the Manchukuo government is undertaking the consolidation under state auspices of all labor unions in a manner similar to that initiated in Germany by the Nazi administration.

With the inauguration of traffic on the Tunhua-Tumenkiang Railway line in the latter part of May, Tokyo and Changchun will have a 54-hour train connection.

General Muto Becomes a Marshal

General Nobuyoshi Muto, commander-in-chief of the Japanese forces in Manchuria, and supreme head of all Japanese civil and military administration in Manchuria, was promoted Marshal May 3.

Major-General Binshiro Obata, Chief of the Third Section of the Army General Staff Office, is making a tour of inspection of the prinicipal cities of Manchuria. He is due back in Tokyo toward the end of the month.



CHEAP AND EXCELLENT

By SAPAJOU
(In the North China Daily News)

Marquis Kunihisa Kuni, younger brother of the Empress of Japan, is now touring Manchukuo in company with 52 other students of the Military Staff College of Tokyo and thirteen instructors.

Bandit Menace Reduces Agricultural Output

Agricultural products marketed in North Manchuria suffered a 48 per cent loss during 1932, compared to the total for the year 1931. According to figures published in Dairen recently, the 1932 total was placed at 1,430 000 tons. The decrease, it is explained, was due to the bandit terror during last year's spring sowing and to the disastrous floods last autumn.

In order to relieve the sufferings of farmers in North Manchuria, especially in Heilungkiang province, the Government of Manchukuo has consented to advance $10,000,000 for spring cultivation.

Kirin Starts Collecting a "Consolidated" Tax

The Manchukuo Government has started collecting the so-called consolidated tax on cotton yarn, cement, flour and other goods entering Kirin Province. The tax is newly introduced in Kirin, and is already enforced in Heilungkiang and Fengtien Provinces.

A Geneva Memorandum on Manchuria

A memorandum with regard to the question of the non-recognition of Manchukuo was prepared at Geneva, May 5, by a small committee of three members of the League Secretariat.

The memorandum first enumerated the various treaties setting up international public unions such as postal, telegraphic and telephonic, wireless, public health, agriculture, railway transport, communications and other technical organizations and especially all those conventions concluded under the auspices of the League of Nations International Labor Office.

The memorandum pointed out the steps which might be taken to prevent the government of Manchukuo from becoming a party to various conventions. Particular attention is devoted to postal communications, especially the question of making Manchukuo stamps invalid, which it is pointed out, must be decided by all individual states, members of the Postal Union.

With regard to Manchukuo currency it was indicated that it will be difficult to prohibit dealings with bills drawn on Manchukuo currency, for, should such transactions be forbidden, Manchukuo merchants would simply have recourse to other currencies such as Japanese yen; an embargo on financial transactions would be difficult. On the matter of passports the memorandum stated that members of the League of Nations, having pledged themselves to non-recognition of Manchukuo *de facto*, de jure, Manchukuo passports will be treated as invalid.

Regarding consuls the memorandum said that as China is one of the countries which does not require exequaturs, it should be possible to appoint consuls in Manchukuo territory, which is assumed to be part of China temporarily outside the jurisdiction of the Central government.

Huang Fu to Head Newly Formed Political Committee in Peiping

The Central Political Council at Nanking on May 3 authorized the formation by the Executive Yuan of a Political Affairs Readjustment Committee in Peiping.

According to the regulations adopted, the committee will consist of 23 persons and three separate departments. These will be a secretariat, a political affairs department and a financial affairs department. The committee has been authorized to draft and submit to the Executive Yuan for approval Administrative regulations which do not conflict with central government legislation. Observers in Nanking expressed the opinion that the committee may in some respects be regarded as the northern branch of the Executive Yuan.

Its purpose is described as being to readjust the political affairs of the various provinces and municipalities in the North.

Huang Fu, Minister of Foreign Affairs at the time of the Tsinan incident and the first Mayor of Greater Shanghai has been appointed Chairman of the Committee at Peiping. He is expected to leave Shanghai shortly to take up his new post.

Press in Peiping Approves New Political Council

The Chinese press in Peiping, while deploring the necessity for such an organ as the newly organized Peiping Political Council, declares that there is justification for this body and it approves of the personnel of it. The papers say that in handling affairs in North China the National Government in the past has often shown "deplorable ignorance of conditions here." Therefore, they say, it is not a bad plan for the government to appoint this committee and to invest it with authority to handle the situation.

Japanese Capture Dolonor, Advance on Kalgan

Manchukuo's national defense army, strengthened apparently by Japanese officers, under the command of General Liu Kuei-tang, occupied Tolun, (Dolonor) in Charhar, at dawn of April 29 after a heavy engagement with the troops under Chinese Generals Sun Tien-ying and Feng Chan-hai. Japanese telegrams report over 100 soldiers of General Liu's troops killed.

According to a military telegram from Kalgan, (Chiang Chia-kou) May 5 three thousand war refugees arrived there from Dolonor and Kuyuan the previous day. They reported that the Japanese troops are showing signs of penetrating into Inner Mongolia. Dolonor lies just across the border from Jehol on a highway running southwest to Kalgan. Out of Kalgan another highway runs northwest to Urga.

The present Japanese campaign in Charhar, when completed, will cut off the last remaining trade-route between China and Russia; it also menaces the Soviets in Outer Mongolia.

The situation at Kuyuan, 70 miles north-east of Kalgan, provincial capital of Charhar, became tense as a result of the occupation of Dolonor. The Chinese troops at Kuyuan are under different commands, and although they have been reinforced by Chinese troops recently arrived from western Jehol, Chinese telegrams express doubt whether they can put up a stiff resistance against the Japanese under existing conditions.

Various public organizations in Kalgan have recently sent repeated telegrams to the Government requesting that strong reinforcements be despatched to Kalgan for the defence of that city, in view of the precarious military situation on the Charhar front.

The situation at Kalgan has recently become strained as a result of the continued advance of the Japanese and Manchukuo forces from Dolonor. Chinese telegrams state that although the Chinese troops have strong defence lines at Taliangti, Pienchiangtze and Huangchipo, it is doubtful whether they can hold back the Japanese, as the region is a plain with no shelter against Japanese air bombardments.

The siege of Kuyuan by the Manchukuo units under Liu Kuei-tang was lifted with the repulse of the enemy units by the combined forces of Generals Feng Chan-hai and Tang Yu-lin May 7, Chinese telegrams stated. The defeated troops Manchukuo retreated to Taliangti The wireless station at Kuyuan was destroyed May 6 as a result of Japanese bombing raids. All communications between Peiping and Kuyuan are suspended.

Preceded by armored cars, 800 Japanese cavalry units under Major-General Mogi in conjunction with 10,000 Manchukuo units on May 5 advanced on the Chinese position at Taliangti, between Tolun (Dolonor) and Kuyuan, which was guarded by the units under General Feng Chan-hai and General Tang Yu-lin. After severe fighting, the Chinese units withdrew and concentrated at Kuyuan.

The Peiping *Morning Post* of May 1, commented: "The Japanese captured Dolonor with only a handful of men. Its strategic importance to Kalgan is similar to that of Kailu to Jehol City. It will be remembered that, during the fighting between the Mukden and Kuominchun armies in 1926, the latter had to evacuate Kalgan simply because the Mukden troops had captured Dolonor. So now, with Dolonor in their hands, the Japanese can swoop down on Kalgan any time they like."

Defence measures for the Luantung area and eastern Charhar were discussed at an extraordinary meeting of the Peiping Branch of the Military Affairs Commission held under the chairmanship of General Ho Ying-chin, Acting Chairman, at Peiping May 7. Generals Hsu Yung-chang, Fu Tso-i, Wang Shu-chang, Chiang Po-cheng and Huang Shao-hsiung were present.

The Rising Tide of Revolt in Japan

Dr. Hajime Kawakami, 55 years of age and a former professor of the Kyoto Imperial University, who was arrested on January 12 while hiding at the home of an artist in Nakano, was formally indicted April 28 by Preliminary Judge Ikeda on a charge of being involved in the plot to re-organize the Communist Party in Japan. He was bound over for public trial.

Tajiro Arata, a Salvation Army officer, of Kagoshima, was recently examined by the gendarmerie of that district on suspicion that he had been spying. It is alleged that while engaged in missionary work, the officer had constantly watched the movements of the naval fleet and had communicated with a "certain source" concerning his information.

A Woman Communist Novelist Escapes Temporarily

Takako Nakamoto, a 30-year old Japanese woman novelist with alleged Communist tendencies was arrested during the night of April 27 while she was asleep in a vacant house, in Fukumiya-machi, Fukuoka. She had escaped six days previously from the Fukuoka police station where (according to the account in the Japanese newspapers) she had been committed for examination "on a charge of being concerned in a certain case."

A Professor Who Used His Money to Further Communism

Hajime Kawakami, former professor of Kyoto Imperial University, was formally indicted on April 28 at the Tokyo District Court for being concerned in a Communist case dating back to October. Dr. Kawakami was committed for examination by Preliminary Judge Ikeda, and it is said the examination revealed that, besides pouring all his savings of Yen 15,000 into the Communist movement, he took part in various plots with his Communist comrades.

An Echo of the Inukai Assassination

The preliminary examinations of the defendants involved in the so-called May 15 affair, in which Premier Inukai was assassinated and several other important Government officials were assaulted about a year ago, will not be finished until the latter part of June, recent telegrams from Tokyo stated. "Although the examinations in the civil and naval quarters have been practically completed, judicial examination of army defendants carried on by the military courts have not sufficiently progressed so as to refer the case for court proceedings, thereby hindering the coordinated progress of the examinations by the three departments concerned," is the way *Rengo* puts it.

The details will be made public May 13. Telegrams from Tokyo indicated that they may have repercussions, as political quarters are inclined to connect the matter with the fate of the present Saito Cabinet on the ground that T. Takahashi, the Finance Minister, has frequently intimated his determination to quit office as soon as the preliminary examinations are over. Mr. Takahashi is of the opinion that the completion of the examinations means the end of the so-called emergency period so far as its political aspects are concerned, since the Cabinet came into power out of emergency political necessity after the May 15 incident. For this reason, Mr. Takahashi is desirous of retiring from office. The Premier, Viscount Saito, however, holds the view that the emergency period has not yet ceased to exist and that the Cabinet including Mr. Takahashi, should remain in power for some time to come, at least. This divergence of views in the Ministry is being taken advantage of in political circles, particularly by the Seiyukai, the biggest party in the Lower House, which is making capital out of the Finance Minister's statements and is busy maneuvering in order to bring about the downfall of the Saito Administration and to form a Cabinet itself in accordance with "constitutional practice."

Extensive Raids in Yamaguchi Prefecture

The news was made public recently of the arrest of 17 alleged Communists in Tokuyama and Bofu, Yamaguchi Prefecture, last January. Extensive police raids were carried on during late January, and more than 100 homes were searched, a quantity of alleged evidence being confiscated and 45 others being taken. Of those arrested 17 were allegedly found to be members of the Japan Communist Party, and with the completion of the preliminary examination on April 4 they were sent to prison pending trial. It is alleged that the unnamed leader of the movement had been devoting himself to radicalism for more than 10 years. Two women were among those arrested, one being the leader's wife and the other Mrs. Haruyo Nishiyama, 23 years old, a graduate of the Chinkai Higher Girls' School in Korea.

An anti-Communist mass rally was held in the open space of Shiba Park in Tokyo, May 6, under the auspices of the so-called National Constitution Defence League. Prominent among the speakers were Lt.-General Kikuchi, retired, Dr. Soyejima, Mr. Ando of Seiyukai, Mr. Uchigasaki of Minseito, and others.

All the factions in the House of Peers are stated to be greatly concerned over the the present uneasy political situation.

A conference of high police-officers in session in Tokyo end of last week paid great attention to the question of invoking measures to suppress radical and Communist movements.

Communist Activities in Korea

The preliminary trial of 108 Korean Communist suspects was completed in Seoul April 28 by Preliminary Judge Masumura, resulting in indictment of 78 of them, dismissal of 24 and proceedings dropped against six who died in prison while under examination. (Cases of suspects dying while in the custody of Japanese police under examination have been increasingly frequent of late). They were all part of the 230 persons arrested in police raids at intervals between the summer of 1930 and the summer of 1931. They had been handed over to the public procurator of the Seoul District Court in August 1931 charged with violation of the peace preservation law.

More Suicides at Oshima

Following a long list of previous suicides of a similar nature at this spot, on May 7 six men and women committed suicide by jumping into the crater of the Miharayama volcano on Oshima Island.

Japanese Textilists Chary of Any Arrangement With British

A recent telegram from Osaka indicated that there was little inclination on the part of Osaka textile industrialists to send their own representative to the forthcoming London World Economic Conference.

The general feeling was voiced by a prominent Osaka business man who recently said, "Japan's industry is now on a much firmer foothold than ever before and some branches of the industry, including the textile industry, are well comparable to those of Great Britain. The original cost of production being low, the Japanese products can beat the British products in free trade competition. Such being the case, economically speaking, Japan should avoid as much as possible any arbitrary political arrangement as might restrict the field of its market. He added that Japan would have to count Egypt, South Africa, Canada and other Dominions as promising prospective markets.

The Japanese attitude has become "touchy" as the result of the denouncing of the Indo-Japanese commercial treaty. The Japanese are working on Indian susceptibilities with the plea that Britain's policy is in the interest of Manchester manufacturers and not of the Indians. When Consul General Miyake met Sir Joseph Bhore, of the Indian Executive Council at Simla recently to discuss the Indo-Japanese commercial pact issue, Sir Joseph stated that while the Indian Government would be ready to enter into negotiations with the Japanese authorities on the subject so long as the question involved only the technical side of trade and commerce, it was not competent to handle such an important question as a commercial pact.

China Merchants S. N. To Expand Services

The China Merchants Steam Navigation Company is planning to become an active competitor in the freight business between China, Annam, Siam, Singapore and the Philippines, a spokesman of the navigation department of the Ministry of Communications announced in Nanking May 4.

A plan is now being considered whereby 20 new vessels will be purchased at a total expenditure of some $30,000,000 and 10 of the new ships will be placed in ocean service. The others will be used to augment the river service, if the plans are approved.

Soviets Willing to Sell C.E.R.

Recent telegrams from Tokyo intimated that the Soviets had offered to sell the Chinese Eastern Railway to Japan for 300,000,000 gold roubles. It was also mentioned that Japan might "consider" the purchase of the railway for 80,000,000 yen, although the military authorities advocated postponing the purchase, "as Japan is likely to obtain the railway more cheaply if she waits."

A *Reuter* telegram from Harbin May 6 stated that the most recent Note from the Manchukuo authorities to Soviet Russia, demanding the immediate return of the evacuated rolling-stock of the Chinese Eastern Railway, was regarded in Harbin as the precursor of direct action. The Note argued that the rights of Russia under the 1924 Agreement are now subservient to the sovereign rights of Manchukuo.

Manchukuo's attitude was explained in a letter from Li Shao-keng, director-general of the Chinese Eastern Railway, to M. Kouznetsoff, asserting that all the demands made by Manchukuo in connection with locomotives, wagons and transit haulage are legal and comply with the principle of joint administration. Mr. Li reiterated that the Chinese Eastern Railway never belonged to the Soviets, but is a commercial enterprise jointly administered and subservient to the sovereign rights of Manchukuo, and that unless the Soviet officials cease their illegal actions, Manchukuo would be forced to take steps to suppress these acts.

Newspaper reports from Tokyo, stated that the Japanese Foreign Office estimated the value of the Railway at 80 000,000 yen and would be willing to consider its purchase at that price in four instalements, with payments made in goods, railway receipts and cash. The one-month period set by Mauchukuo for the return of the evacuated rolling stock expires May 12.

The detachment of Japanese cavalry at Hailar, on the western section of the Chinese Eastern Railway, 100 miles east of the Soviet frontier, is reported to have been strengthened to 5,000 sabres.

Joint Committee to Discuss Manchukuo-Japan-Soviet Matters

Foreign Minister Uchida explained to his colleagues at a Cabinet Council meeting in Tokyo May 6 the details of the establishment of a joint committee of the Soviet Union, Manchukuo and Japan, to deal with Manchukuo-Soviet border questions, as intimated to the Japanese Government the previous day by Constantin Yureneff, the Soviet Ambassador in Tokyo. The dispute over the Chinese Eastern Railway. rights of navigation on the Sungari and the so-called Pogranitchnaya incident, in which, according to a Soviet complaint, Japanese troops crossed the border into Soviet territory in February, are among the outstanding Soviet-Japanese questions.

M. Karakhan, Soviet Vice-Commissar of Foreign Affairs, and the Japanese Ambassador. in conversations recently with the Japanese Ambassador in Moscow, emphasized that the Soviet were anxious to settle the Chinese Eastern Railway dispute as soon as possible directly with Japan and that it was futile for Japan to pretend that it was a matter for settlement between the Soviet and Manchukuo and therefore no concern of Japan.

The Railway Ministry of Manchukuo has decided on a change in the staffs of the Chinese Eastern Railway, whereas Soviet officials have heretofore held almost all important posts while Manchukuo officials were forced to be satisfied with comparatively trivial positions; it is now planned to very much reduce the number of Soviet employees.

The French Ambassador in Tokyo May 8 pointed out that France is greatly concerned in the settlement of the C.E.R. dispute, as France invested in the establishment of the Russo-Asiatic Bank, which accommodated the C.E.R. with a loan at the time of its establishment. He requested the Japanese Vice-Minister of Forign Affairs to consider French interests in case of purchase of the railway from Soviet Russia. Mr. Arita avoided a definite reply.

China Objects the Sale of Railway

Dr. C. C. Wu, former Minister for Foreign Affairs, expressed his deep regret at the reported intention of the Soviet Government to sell the Chinese Eastern Railway to the Japanese, in an interview in Shanghai May 7. It was the opinion of Dr. Wu that any intention on the part of the Soviet Government to sell the line was decidedly in violation of the stipulations of the Sino-Soviet Provisional Agreement concerning the said Railway. He added that if Soviet Russia still recognizes Chinese sovereignty over Manchuria then they should negotiate the sale of the Railway with the Chinese Government. If the U.S.S.R. does not recognize Manchuria as a part of China then it has no right to negotiate the transaction, he said. Sun Fo and other prominent Chinese expressed themselves in a similar vein.

The Ministry of Foreign Affairs in a statement issued at Nanking said "Any new arrangement concerning this important means of communication made without China's consent, would constitute a violation of the Agreements of 1924, should therefore be considered null and void and would never be recognized by the Chinese Government."

Dr. W. W. Yen, Chinese Ambassador at Moscow, under instructions from the Government, made strong representations to the Soviet Foreign Office and delivered a memorandum on the subject. Dr. Yen declared that the Railway question must be solved in strict conformity with the Sino-Soviet agreements and that neither China nor the Soviet Union has the right to dispose of the Railway without the consent of the other party.

C. E. R. Officials Discharged

The government of Manchukuo May 9 discharged 100 Manchukuo Chinese Eastern Railway officials, including Ai Nan-fang, Director, Chin Jui-kui, chief of the Chinese Eastern Railway police, and Chang Shu, Director and chairman of the Revision Committee, on the ground that the officials were discharged because of the "intrigue and inattentiveness to duty by these members of the Kuomintang."

This taken in connection with the fact that the Soviet employees have threatened a strike in connection with the ultimatum expiring on May 12 to the Soviets to return retained locomotives and rolling stock may foreshadow a move by the Japanese to seize the operating control of the railway, putting in their own personnel.

The Manchuko authorities envisage a possible strike of the Soviet employees and possible resort to sabotage, but Mr. Mori, head of the 5th section of the Railways Bureau of the Ministry of Communications of Manchukuo, stated that Manchukuo would not concede a step in the current dispute.

M. Bogomolov Gives a Reception to Journalists

Dmitri Bogomolov, the new Soviet Ambassador to China, who presented his credentials on May 2, gave a reception to pressmen at the International Club at Nanking May 4 at which he said he hoped the resumption of normal relations between Russia and China will become one of the most important factors for the promotion of peace in the Far East and in the whole world. "Peace, and again peace has always been the basis of the foreign policy of Russia," he said. "The exchange of Ambassadors between Russia and China will undoubtedly facilitate the solution of the important problem of establishing firm connections between the public life of Russia and that of China. Our country displays a tremendous interest in the cultural achievements of the Chinese people, in their art, literature and so forth. On the other hand, the great revolution of 1917 created in Russia a foundation for the development of new art and new literature. I hope our achievements in these fields will be of interest to the people of China," M. Bogomolov added.

A reception in honor of M. Bogomoloff, the new Soviet Ambassador, was given by Dr. Lo Wen-kan, Minister of Foreign Affairs, at Nanking May 5.

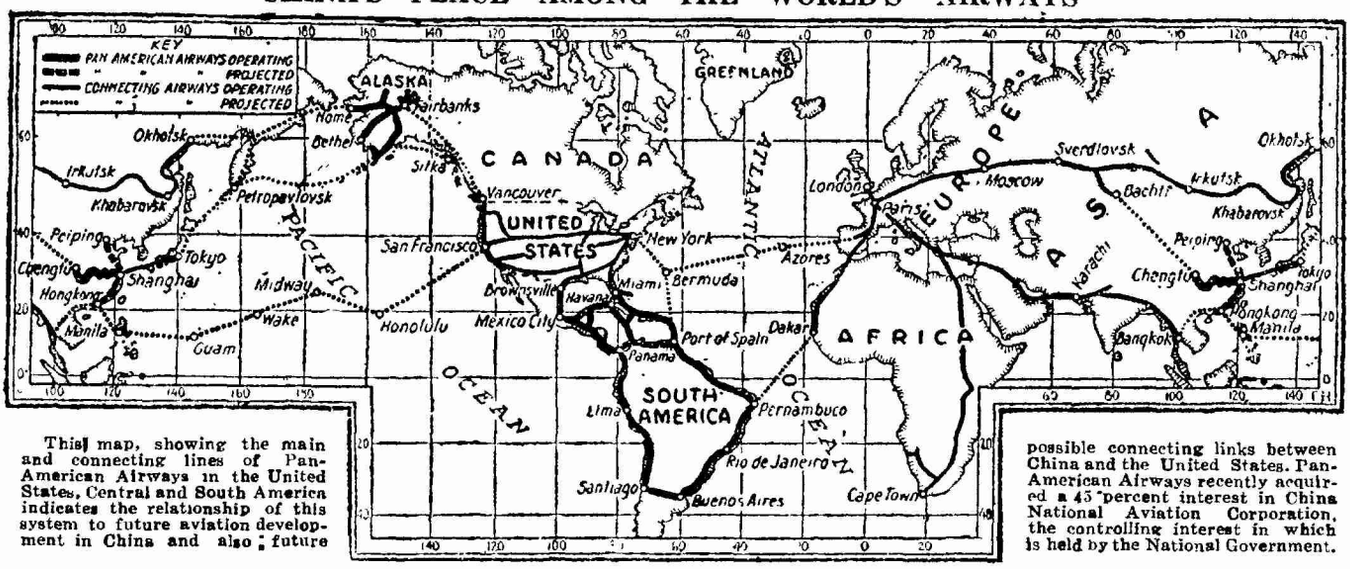
Sino-Soviet Non-Aggression Pact

Negotiations for the conclusion of a Sino-Soviet Non-Aggression Pact and a Sino-Soviet Commercial Treaty will be opened shortly between the Ministry of Foreign Affairs and M. Bogomolov, Soviet Ambassador to China, a recent Nanking telegram stated. Hsu Mo, Political Vice-Minister of Foreign Affairs, and Shen Cheng-tinlg Director of the Asiatic Department of the Ministry, wil, act as China's representatives in the negotiations.

Japanese Lose Preferential Tariffs May 16

The Chinese newspapers point out that with the expiry of the Sino-Japanese Tariff Agreement May 16, the duties collected on all articles included in the agreement will from May 16 be similar to the rates in the Tariff Schedule promulgated in 1931.

CHINA'S PLACE AMONG THE WORLD'S AIRWAYS



This map, showing the main and connecting lines of Pan-American Airways in the United States, Central and South America indicates the relationship of this system to future aviation development in China and also possible connecting links between China and the United States. Pan-American Airways recently acquired a 45 percent interest in China National Aviation Corporation, the controlling interest in which is held by the National Government.

China's Progress in Aviation Surprises the World

THE significance of the entrance of Pan-American Airways—an American operating company with a record of successful operation all through the West Indies and the Latin Americas—into the international air picture of the Far East, and particularly China, is stressed by Lauren D. Lyman in a recent article from an American paper reprinted in the *Shanghai Times*. While nothing has been said about exclusive operating rights, it is reasonable to suppose that an airways system in which the Chinese Government is maintaining a 55 per cent. interest will have the best chance at the best territory. It is certain that if Pan-American or some other American operating company had not entered the field prepared to place new equipment at the disposal of the line, Germany would have entrenched herself.

A glance at a world map shows a number of interesting operations. Pan-American's Alaskan Airways stick out as a possible link in an American-Asiatic system taking in Tokyo and both North and South China, with the Japanese lines supplying the link between Tokyo and either Shanghai or Peiping and a Canadian system connecting at St. Paul, or perhaps Puget Sound, with the airways of the United States.

Another suggestion which two years ago would have merely drawn derision in aviation circles is a trans-Pacific route. The Pacific Zeppelin Company has already made surveys of a line joining the Philippines to California. With airplanes capable of carrying pay loads non-stop 3,000 miles at a speed close to 150 miles an hour, such a trans-Pacific air line is become daily more feasible.

With modern radio, whose use over a long ocean hop was first demonstrated by Kingsford-Smith, it is no great stunt to find a small island. It is 2,400 miles to Hawaii from San Francisco. Another hop of 1,320 miles on a course toward Yokohama, little north or west, takes the ocean-going plane to Midway Island. Thence the distance is 1,260 miles to Wake Island, which in turn is 1,500 miles from Guam. Guam is 1,600 miles from Manila—within 630 miles of Hongkong.

This southern route to Shanghai is more than 8,000 miles long, or about 60 hours of actual flying. The northern route by way of Alaska is nearly 1,000 miles shorter, but, in the opinion of fliers, the southern route offers some advantages, as well as the disadvantages of long water jumps. It has the advantage over the northern route that American planes would be touching on territory of the United States all the way from the Golden Gate to within 630 miles of Hongkong.

More Than a Million Dollars to Buy Fighting Planes

Mayor Wu Te-chen of the Municipality of Greater Shanghai proceeded to Hangchow early in the week to make arrangements with the Aviation Bureau there for the purchase of 12 fighting planes with funds, realized from the China National Aviation Association's membership campaign. To date, a total of more than $1,000,000 has been collected by the various group of campaigners organized by the Mayor, and plans are on foot to raise a still larger amount.

Contributions to assist in providing adequate defense for Canton against invasion are being received in a steady stream by the Aerial Defense Committee, a recent telegram from Canton stated. Li Sen-kan, director of the Canton-Hankow Railway, has donated one month's salary, $500, while the Sincere Company has contributed no less than $150,000 and the Dollar Lottery Company H$100,000.

T. V. Soong, General Chu Pei-te and General Ko Ching-en have been designated as members of the Standing Committee of the National Aviation Construction Commission by the Executive Yuan. General Ko was made concurrently Chief Secretary.

Largest Airport in Far East Planned For Osaka

What is expected to be the largest airport in the Far East is to be established at the mouth of the Yamatogawa, emptying into Osaka Bay on the Municipal boundary between Osaka and Sakai within four years from next June, according to the *Osaka Manichi*. The proposed airport will supplant the present Osaka airport at the mouth of the Kizugawa. The new airport will be about 1,000 metres due west of the mouth of the stream. The project represents an outlay of Yen 1,200,000 and the field is expected to be ready in four years.

State Lottery to Help China Build Roads

The National State Lottery Commission to supervise the State Lotteries authorized by the National Government of China for the promotion of highways and aviation was formally inaugurated at Shanghai, April 26, at a representative gathering of leading bankers and commercial leaders, including foreign and Chinese. Vice-Minister Chou Lin, who presided, said that as it is beyond the the resources of the national treasury at the present time to provide adequate funds for the financing of extensive projects for highway construction and development of aviation, recourse to the lottery scheme appeared not only fitting and proper but highly necessary.

Four lotteries a year will be held, each of $5,000,000 in 500,000 tickets of $10 each. Approximately one-half the total proceeds, without deduction, will be distributed in prizes. The remainder, after payment of all expenses, will be utilized by the Government for the development, extension and improvement of the country's aviation and highway services. There will be a first prize of $500,000.

Loy Chang, the Director-General of the Lottery Administration, will be assisted by two foreign experts, Mr. Seth and Mr. Turner of the firm of chartered accountants,

(*Continued on page 432*)

A National Library for China

BY CHIH-BER KWEI, Ph. D. (桂質柏)

Director, National Central University Library, Nanking

THE progress of modern library development in China will constitute the marvel of the twentieth century. Emerging from several thousand years of isolation from the Occident, discarding institutions and donning the garb of scientific spirit, this ancient country of the Orient, the mother of Far Eastern civilization, is to astonish the world with her debut into the modern library movement. If the Father of the Chinese Republic, Dr. Sun Yat-sen, were still living today, he would surely advocate the inauguration of a national central library, as a bureau of library information to all the provincial, public and school libraries throughout the length and breadth of the country. No person could understand his philosophy without identifying himself in the establishment of an institution, which is going to promote knowledge.

Furthermore, in view of the fact that all the important countries of Europe and America have royal or national libraries, the need of a national central library located at the seat of the Chinese Government among the many institutions of great importance is becoming most apparent. According to announcement, the Minister of Education, Dr. Chu Chia-hua, has decided to establish a library which is national in scope, with the main purpose of preserving for posterity the literature of China, in addition to being an active factor in encouraging research. This far-sighted move is merely one step forward to put China in the family of nations. For example, Great Britain has British Museum, France, Bibliotheque Nationale, and America, the Library of Congress. As a rule their beginnings were small, and at first they were national in no sense except ownership.

However, China is not a land without libraries. According to old and reliable records of Chinese history there were libraries for storing official documents as early as 2650 B.C., and the first librarian was Laotze who found Taoism and wrote the Book of the Way and Virtue. For his works Confucius even consulted him for material. There are sufficient references from Laotze's time to the present, concerning the development of Chinese libraries.

The marked difference in the concept of the functions of a library takes place since the establishment of the Chinese Republic. Originally the library might be used by a privileged few, then those who paid a fee might use it. Now it is made free to all for reference. The thought of taking any book from the older libraries was as preposterous as that of borrowing specimens or pictures from a museum. Later the favored few might borrow; and nowadays comes the broad plan of lending freely to all. The express, mail, and telephone are used as various devices to make books more accessible.

When Dr. Chu Chia-hua ordered in the first part of January, 1933, a national central library to be established in Nanking, it is believed that the library should have these two functions, to wit: (1) as a storehouse of books and knowledge; (2) as a laboratory for study and research. Besides its direct service to readers, to government employees, it should give much bibliographic information by mail and through its publications, which may be distributed freely to institutions and serious investigators. Up to this writing, part of the Examination Yuan has been assigned as the temporary site. One set of the *Ssu ku ch'üan shu—Four Treasures*—now deposited in the Imperial Palace, Peiping, will be moved to Nanking, as the nucleus of the whole collection. At this juncture we wish to suggest to the promoters and organizers of the Sun Yat-sen Institute that no institution may amplify Dr. Sun's ideas and ideals—his principles and theories, particularly the Three Principles of the People—better and more lasting than the National Central Library, dedicated to the people and for the people. The possibilities of this new venture are unlimited!

Nanking, May 3, 1933.

64-464

Sanctions Against Japan

(From the New Statesman and Nation March 4, 1933)

The first practical step is to distinguish between an embargo and a blockade. A blockade of Japan would be a terrible, and we believe an unnecessary, step. Economic and diplomatic pressure must be applied cumulatively and progressiveiy; the Committee set up by the League to concert action against Japan should already be considering the details of its application. America, which has already associated itself with the report condemning Japan as an aggressor, is expected to join the Committee, now that Mr. Roosevelt has assumed office. The committee have a variety of proposals to consider, the practicability of joint embargoes on arms, on raw materials—oil, for instance, is a far more important matter than munitions from the point of view of the Japanese militarist—and on foreign loans. An embargo on all foreign loans in London, New York and Paris would make Japan's military operations increasingly difficult, and incidentally prove an effective means of preventing her from making further purchases of arms from the Western Powers. There will no doubt be difficulties, though if Great Britain, France and the United States are in earnest, not, we believe, insuperable difficulties in applying such sanctions. The main thing is that the Committee should get to work, that Japan should see that the League and the United States mean business, and that there should be an unequivocal acceptance everywhere of the fact that Japan is the aggressor, that her conquests will not be recognised, and that her aggression will be opposed by every effective means in our power. We disagree with Mr. Churchill in thinking that this affair of Japan will soon be over; there is a long struggle ahead, not only in China but in the West, between the forces of anarchy as represented by Japan and those of internationalism as represented by the League. The most important thing is that we should step off with the right foot, recognising, in spite of Sir John Simon, where our interests and obligations lie, and, unlike him, refusing to excuse the gangsters of the East.

Dr. Hu Shih Will Head Chinese Group at Banff Conference

The Chinese group which will attend the Fifth Biennial Conference of the Institute of Pacific Relations to be held in Banff, Canada, August 14 to 28, will be led by Dr. Hu Shih, who is chairman of the China Council of the Institute and concurrently vice-president of the Pacific Council. The others who are going will include the following:

Dr. Y. T. Tsur, formerly president of Tsing Hua University and now a director of the China Foundation for the Promotion of Education and Culture.

Dr. Wong Wan-hao, director of the National Geological Survey of China and up till recently Minister of Education.

Dr. Franklin L. Ho, who is research secretary of the China Council of the I.P.R., and director of the Institute of Economics at Nankai University.

Dr. P. C. Chang, professor at Nankai University; former Dean of Tsing Hua University.

L. K. Tao, director of the Institute of Social Research.

Y. S. Djang, executive secretary of the China International Famine Relief Commission.

Mrs. Sophia Chen Zen, editor of the "Symposium on Chinese Culture," and Professor of History at Peiping National University.

H. C. Zen, executive secretary of the China Foundation.

Dr. M. T. Z. Tyau, Government official, former editor of the "Chinese Social and Political Science Review," author of many books, the latest—"Two Years of Nationalist China."

K. S. Chow, professor at Wuhan University.

Dr. Shuhsi Hsu, advisor to Chinese Delegation at the League of Nations, author of many books, latest—"Essays on Manchurian Problem."

Dr. Y. Y. Tsu, former head of Religious and Social Works Department, Peking Union Medical College; exchange professor at Pacific School of Religion in Berkeley, Calif.

Dr. C. Kuangson Young, former director of the Foreign Relations Commission, recently special Commissioner to Europe.

Hubert Liang, secretary of the National Committee Y. M. C. A.

K. C. Li, president of Wah Chang Trading Co., New York.

Silk Problems of China and Japan

BY PAUL K. WHANG (王仲芳)

BOTH China and Japan, countries of silk, are having their respective silk problems to deal with. China, which up to the beginning of this century, was a premier producer of silk, has gradually lost her position and is now in danger of being completely eliminated from the world's markets in face of the Japanese competition. Japan, which learned silk cultivation from China, has improved the original methods of rearing silkworms and manufacturing silk, and now surpasses China in the production and exportation of silk. The former at this belated hour has begun to apply herself to the task of improving the quality of her products with the hope of regaining her lost position, while the latter in face of the worldwide business depression is seeking every possible means to promote the sale of her unsold products and also to capture the new trade.

Since the overthrow of the Manchu government, China has awakened to the necessity of rehabilitating her silk industry and has introduced modern methods in the breeding of silkworms and in the manufacture of silk; but her efforts have not been crowned with much success, partly because of the lack of government assistance and partly because of conservatism on the part of the farmers. In recent years, the government has begun to realize the importance of silk industry and to cooperate with the silkmen to solve the various silk problems.

Subsidies for Silk

In the spring of 1932, because of the great accumulation of unsold cocoons and silk of the previous season the Kaingsu and Chekiang governments jointly worked out a relief program by which a subsidy of Tls. 100 would be given to each picul of silk of the previous season and also to each picul of silk reeled from cocoons of the previous season at the time of its exportation. In the meantime, for the purpose of encouraging silk exportation, the export duties on silk were also exempted. Last autumn, the government through the League of Nations invited an Italian sericulturist in the person of Dr. Benito Mari to come over to China to make a special investigation of the silk industry and trade. Recently the government has been planning to float another loan for the relief of the silk industry in the two provinces of Chekiang and Kiangsu. The loan will be for $5,000,000, and devoted to the following purposes:

(1) $1,500,000 will be used for the encouragement of the export of raw silk; a subsidy of $75 per picul to be granted up to a total of 20,000 piculs.
(2) A similar amount will be appropriated for the granting of loans to farmers in order to encourage the production of cocoons.
(3) $1,000,000 out of the proceeds of the loan will be used for the improvement of the breeding of silkworms and the quality of silk.
(4) With the remainder of the loan, that is, $1,000,000, special organs will be established in various foreign and domestic ports for the encouragement and promotion of the export of China silk.

While the government has gradually emerged from its former aloofness and indifference toward the silk industry, the conservatism on the part of the farmers is yet to be overcome. For decades, a campaign has been lanuched to introduce disease-free eggs to the farmers, but in spite of the fact that the cocoons of disease-free eggs have been paid with a premium, the campaign has not met with as much success as expected. At present, the production of cocoons of disease-free eggs is still very small in quantity compared with that of native eggs.

Farmers Too Conservative

In the rearing of silkworms, the methods are as old and unscientific as ever. The ultra-conservatism and total ignorance on the part of the farmers have made them adhere to the age-old traditions and methods, and oppose any new changes. Their strong superstitious belief has also led them to attribute their failure in raising successful crops to the acts of God. Any too earnest endeavor on the part of sericultural experimental stations and other agents to introduce reforms to the farmers has often been met with strong opposition, resulting in mob violence and the destruction of properties and lives.

The recent riot in the Lin-An District of Chekiang province will illustrate the point in question. On April 8, about 10,000 farmers in protest against measures instituted by the provincial authorities for the improvement of silkworm species, attacked the local office of the Sericultural Bureau and later set fire to the experimental station. Militia units were summoned, and in a clash with a mob of 1000 rioters, five of the latter were seriously wounded. In order to appease the wrath of the farmers, the Chekiang provincial government ordered the suspension of these reforms. Prior to the Lin-An incident, a similar riot had also been broken out among the farmers of the Yuhang District.

In comparison with Chinese people in other walks of life, Chinese farmers, as a class, are less susceptible to new ideas and changes, and it is only natural that in the time of distress which the farmers have been experiencing for the last few years because of the failure of cocoon cropsand the depression of the silk market, they should set themselves against any measures of reformation. So long as the farmers are as conservative as they are today, the task of improving the quality of cocoons will remain difficult. This means that China's silk industry can not be successfully rehabilitated, no matter how generous the government is with its financial assistance and how energetically the silkmen may improve their methods of manufacturing. It will take years of education to overcome the superstitious belief and conservative inclination of the farming population.

While the Chinese government and silkmen are conscientiously engaging themselves in the task of rehabilitating China's silk industry and thereby regaining China's lost trade, the Japanese government and silkmen have also been busily occupied in devising ways and means to market their unsold products and to capture the new trade. The world-wide business depression has hit the Japanese silk industry equally hard, and the Japanese government has to subsidize the silkmen and purchase part of the unsold silk from the market so as to uphold the Japanese silk industry. In recent years, because of the business depression, the Japanese silkmen have been faced with a serious problem of over-production, and have to find new outlets to dispose of their products.

According to a circular issued on March 17 by Lister & Co., Bradford textile firm, the Japanese army and navy are provided with silk underclothing. It says, "At present the silk trade in the U. S. is much reduced and Japan, rather than put the silk yarn on to the world's markets with the inevitable result of the slump in price, chooses to manufacture it herself." Possibly through this new outlet, a large quantity of unsold silk in the hands of the Japanese government can be consumed. In the meantime, the Japanese army and navy can shine across the world not only with their bravery but also with their silk underclothing.

Pretty Japanese Girls for Chicago

In order to interest the American consumers in buying more Japanese silk, the Japanese silkmen, as reported, have selected two very beautiful girls and will send them to Chicago for the purpose of demonstrating the process of reeling silk at the forthcoming Century of Progress Exposition. These two beautiful demonstrators will certainly prove a great attraction to the visitors of the Exposition and serve as a medium of advertisement in extending the sale of Japanese silk in the American market.

Another report from New York has it that the Japanese government has sent the former Manager of the Yokohama Testing House and the former representative of the Japanese Silk Association in America to New York to organize and establish a Silk Information Bureau with the object of promoting the sale of Japan silk in America, and that a fund of Yen 1,000,000 has been earmarked for the purpose of conducting vigorous propaganda work in America.

Inasmuch as America is the world's greatest silk-consuming country, the Japanese government and silkmen have left no stone unturned to monopolize the American silk market, so that in future the American consumption will be totally provided from Japanese sources. It is estimated that America needs about 600,000 piculs of raw silk annually. In spite of the business depression, America last year still imported 553,888 piculs of raw silk, of this amount Japan supplied 518,794 piculs, constituting about 90%. But the Japanese are still not satisfied with this big share, and are seeking the means to capture the American trade for themselves. The Japanese may realize their wish, if the Chinese farmers still cleave to their old methods of raising silkworms and the Chinese silkmen can not put up their products in the American market as good and as cheaply as the Japanese products.

Shanghai, May 6, 1933.

The Way Out for China

BY CHEN FU SHENG (陳福生)

CHINA is now confronted with a dilemma. Both alternatives—to advance or to retreat—seem equally difficult. How China will tide over her crisis is a question of nation-wide interest.

Many agree that the present situation of the Far East may give rise to a world war in the Pacific ocean. It is very doubtful whether world war would help China to solve her own problem. It is almost certain that no world war will break out on the Pacific, at least, in the near future. To say that Europe is on the eve of a conflagration is probable to a certain extent; to expect that the Pacific will soon be the scene of a world war is a remote possibility. The Powers interested in the Far East are addressing themselves to home affairs and have no intention to interfere with foreign affairs. America is in great financial distress. She desires to stand for international justice, but she is hampered by her internal troubles. England, economically depressed, indulges in machiavelian tactics and wants peace at any price. Soviet Russia, busily engaged in internal reconstruction, has the least intention of engaging in a military adventure abroad.

Others claim that China must appeal to arms to solve her troubles. This would be a good way in case the Chinese army and navy were better-equipped and better-trained. Past fighting in the North teaches us a great lesson, namely, that the ill-fed, ill-armed, ill-trained Chinese armies are no match for Japanese. They do not know modern warfare; they have not seen even an armored truck; they have nothing to guard against Japanese air raids. They are merely quickened by the spirit of nationalism to fight against the Japanese with their "flesh and blood." Continued fighting in the North or elsewhere will amount to nothing but further loses of territories, further losses of lives and property. Moreover, should Peiping or Tientsin drift into the whirlpool of war, the Powers would intervene and force China to stop fighting.

Facts speak louder than words. Jehol, so vast a territory, with so huge an army, fell into Japanese hands in less than ten days. Most of China's military leaders are rotten to the core and have 18th century conceptions of warfare. How can we expect them to put up a strong and effectual resistance against invaders?

I, for one, am of the opinion that the best thing for China today is to keep aloof from the Manchurian question temporarily, to bring about factual unification, to devote her time and energy to internal reconstruction: developing natural resources, developing education and industry, building up a strong army, navy and air force, etc. This may appear to be a remote solution of the momentous issue, but during the time when the well-wishers of China are not in a position to curb Japanese activities, so that China must fight her own way out, it seems to be the only way out for China. China must bear in mind that the provinces of Alsace and Lorraine ultimately belong to France and that these two provinces were returned to her only after many years of strenuous efforts on the part of the French people.

The expression "prolonged resistance" does not necessarily mean armed conflict. It means economic boycott; it means non-co-operation with Japanese; it means, above all, internal reconstruction to face external crisis. A United China, awake to her danger and devoted to thorough internal reconstruction, has nothing to fear from Japan. No one can take China if she stands firm; no one can enslave her if she stands united.

The worst thing for present-day China is, in my judgment, lack of a definite policy regarding her critical situation. She has encountered a crisis of exceptional gravity and yet she has not thought of a way to tide over it. Will she declare war against Japan? No! Will she make peace with Japan? No! Will she give in to Japan for the time being and strive to reconstruct herself so as to enable her to recover her lost territories in future? No! The loss of Manchuria, the fall of Shanhaikwan and the occupation of Jehol are all due to the policy of procrastination. It is earnestly hoped that no more territory will be lost through procrastination policy; that the Central Government will quickly correct the gross mistake of procrastination; that Chinese people, especially the intelligentzia and the ruling class, will think deeply and will rise above the sentiments of the hour; that China will surrender her claims in Manchuria for a time, and that China will take prompt action to carry out her schemes of internal reconstruction—which alone is the fundamental solution of the Manchurian problem.

Foochow, May 1, 1933.

64-466

Dr. Koo Presents China's Case on Disarmament

Dr. Wellington Koo, in a speech on the British Draft Convention of Disarmament in the General Commission of the Disarmament Conference at Geneva March 27, said that in general the Chinese Delegation is in substantial agreement with the British plan as regards the proposals for the qualitative reduction of armaments. It welcomes the proposals, though it is its fervent desire of the Chinese to see them go further in the same direction.

As to those proposals which relate to the limitation of the navies and air forces, no one, he said would dispute that the main purpose of disarmament is to promote peace by enhancing a sense of security through a more balanced system of reduction and readjustment of armaments, and not to penalize the militarily weak nations whose defensive weapons are below what is the minimum requirement for internal order and external safety. Indeed, he said, China has never had an army, a navy or an air force fully answering the requirements of her special circumstances. Her national defence has been and is much below the minimum level. Her traditional love of peace has inclined her to disregard the need of armaments. Her faith in the validity of the peace instruments and efficacy of the peace machinery has accentuated her unwillingness to arm. But her present experience is a lesson to her. She is faced with the pressing need of a coast defence navy and an air force commensurate with the extent of her territory, the length of her coast line and land frontiers, and the inadequacy of facilities for transportation and communication. She has yet to forge the necessary instruments for effectively ensuring her security and independence to which she is entitled no less than the militarily strong Powers. Indeed, said Dr Ko, it has even been said that her inadequate system of national defence has in a way induced and encouraged aggression, and added to the difficulty of the League of Nations in the past 18 months and to its anxiety at the present time.

Dr. J. C. Ferguson Makes Addresses on Chinese Art in Nanking

Dr. J. C. Ferguson of Peiping recently gave two addresses in Nanking. One was before the students of the University of Nanking on "Noted Chinese Porcelains of the Sung, Yuan and Ming Dynasties." This was illustrated with stereopticon slides. Dr. Ferguson made the main address at a meeting of the American University Club held April 21 at the Community Center in Nanking. He talked on "Nanking as an Art Center" and spoke particularly of the artists who had lived in the Tzing, Sung, Ming and T'sing Dynasties.

Japanese Exchange Control Act Comes Into Force

The foreign Exchange Control Act and other relevant acts, which were approved by the 64th session of the Japanese Diet were put into force as from May 1. The new acts are enforced in Korea, Formosa and Saghalien as well as on the main land. The law prohibits all speculative dealing in foreign exchange and is designed to prevent undue fluctuations in yen exchange.

Americans Come to Shanghai in Increasing Numbers

According to statistics compiled by the Passport Division of the Greater Shanghai Municipal Bureau of Public Safety, 2104 foreigners representing 36 nations (two of them without nationality) arrived in Shangnai during the month of March.

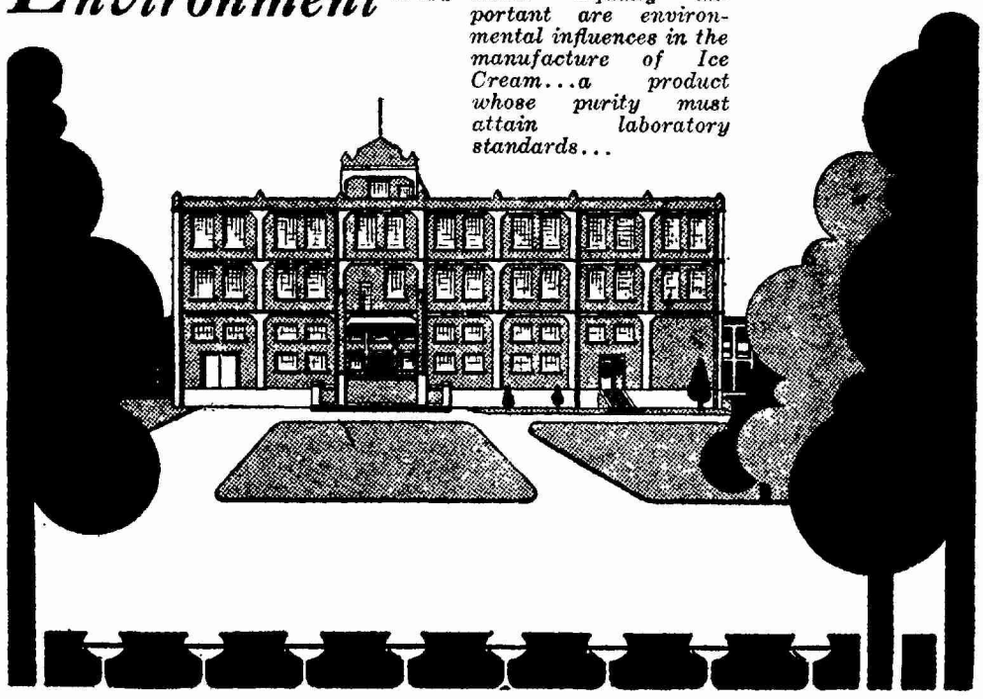
Americans top the list with 902 arrivals; followed by the British with 470, Soviet Russians with 247, the French with 105, and Germans, 91.

Tsing Hua University to Move to Changsha?

The Chinese press states that the Educational Department of the Hunan Provincial Government recently received a telegram from the Tsing Hua University, in Peiping, (an institution supported by the funds accruing from the American Boxer Indemnity) requesting that a suitable place be found for the University in Changsha, to which place the institution will remove in the coming autumn.

Environment

Humans vary in relation to their environment. Equally important are environmental influences in the manufacture of Ice Cream...a product whose purity must attain laboratory standards...



HAZELWOOD PARK

Spacious...green...beautiful...like a model college campus. Room here for cleanliness, and, what is more important, for the spirit of cleanliness...

THE HOME OF HAZELWOOD ICE CREAM

The spirit of cleanliness outside is even more impressive within...Tiled walls...cool...and spotless...Busy, efficient machinery, sparkling in sunshine that pours through modern windows ..The very air is cleansed and cooled by up-to-date air conditioning plant. Everyone is comfortable..cool clean, where Hazelwood is made.

NO WONDER IT IS PURE—— SO DECLICIOUS!

Eat Hazelwood ALWAYS GOOD *Ice Cream Every Day!*

64-467

National Christian Council Discusses Crisis in China at Biennial Meeting

The National Christian Council held its second biennial meeting at Sungkiang last week, the first session being held on the evening of May 3.

The chief subject of discussion at the second day's sitting was that of the present crisis in China and the relation of the Christian movement thereto. Dr. C. Y. Cheng, general secretary of the National Christian Council, and L. T. Chen, of the Kincheng Banking Corporation, Shanghai, were the principal speakers at the morning session. In the afternoon, the delegates of this biennial meeting were divided into four groups, which discussed at length the present crisis in China and the relation of Christians thereto. On the basis of a series of questions, an effort was made to define the causes of the crisis, the remedies being offered, and to determine which of these were sound; and what Christians, as individuals or groups, could do in face of the present crisis.

Mr. Chen pointed out that the national crisis could be narrowly defined as concerned with the Sino-Japanese situation alone, or more broadly defined as including also China's political instability, party struggle, economic stress, famine, etc.

Consideration was next given to the crisis *within* the Christian Movement in China. On this topic, short addresses were made by E. E. Barnett, of the National Committee of the Y.M.C.A., Shanghai, Dr. T. T. Lew, of Yenching University, Peiping, and Bishop Gowdy, of the Methodist Episcopal Church, Foochow.

Seven bishops were in attendance: Bishop Norris, of Peiping; Bishop R. O. Hall, of Hongkong; Bishop C. P. Wang, the Chairman of the Council; Bishop Gowdy, of Foochow; Bishop Roots, of Hankow, Bishop Lindel Tsen, assistant bishop of Honan; and Bishop Herbert Welch, of Shanghai.

On May 4, P. C. Hsu, of Yenching University, Peiping, made a speech in which he advocated that, in the face of China's national crisis, it is the first duty of the Christian to live up to the principle of love. L. T. Chen, of the Kincheng Bank of Shanghai, discussed: (1) What should be the Christian stand on militarism? (2) Do the Church and the Government function in different realms, so that Christians should carry on their work without interfering in political situations?

On May 5 F. L. Chang described the purpose of the five-year movement as being "to get better Christians and more of them." He declared it to be the product of the time when it began in 1929. Conditions out of which it grew were the world situation after the war and the China situation after the Nationalist drive into central China. Dr. John C. Hawk urged the Conference to make use of every avenue of church life and activity to win souls.

A report on the work of rural reconstruction done by Dr. Y. C. James Yen and his associates in Tinghsien district of Hopei Province was read at the session.

Real Estate Review of the Central District, Shanghai by Realty Investment Company

Great progress has been made on all buildings under construction since the last report on this area. Levelling and clearing up the last few old houses that remain on the big Boulevard de Montigny ending in the Avenue Edward VII square is progressing rapidly, and another large hotel and Emporium is destined for this site. The long piles for the foundations of the new Police Station in Foochow Road are being assembled, and work will shortly be started. It would appear as though the height limit of the leading sky scraper of Shanghai, next to the Y.M.C.A. on Bubbling Well Road, has at last been reached, and it is now possible to visualise the towering height this building will attain.

RECENT SALES

Brenan Road B. C. Lots 10588, 11857, 12642; a house on 7 mow 2.0.6. of land, Tls. 121,500.

Two pieces in Columbia Road.

6 Mow, Jorden Avenue Tls. 7,500.—fangtan.

Japan Negotiating Commercial Treaty With Uruguay

A recent Tokyo telegram stated that Japan has accepted a proposal made by the Uruguayan minister for the conclusion of a commercial treaty between the two countries based on the most-favored-nation principle. Negotiations with this end in view are being started immediately.

Governor Murray of Oklahoma Moves to Extradite Julian

In an effort to force the return of C. C. Julian to stand trial on charges of embezzlement growing out of an investigation of his oil companies, William H. Murray of Oklahoma May 5 sent L. L. Clampitt, U. S. postal inspector, to Washington to confer with Secretary of State Cordell Hull. Governor Murray, through the Inspector, has requested the State Department to take the matter up with British officials and see if the present deadlock in Shanghai can be broken. Governor Murray in order to speed the process of extradition has directed the state Attorney General to file a charge of embezzlement against Julian. He admitted that a charge of using the mails to defraud is not included in the extradition treaties between Canada and the United States. He felt, however, that he believed arrangements could be made to have Canadian officials extradite Julian on the embezzlement warrant which has already been sworn out.

In case the Canadian government should eventually be prevailed upon to act, the probable procedure would be for Julian to be arrested by British authorities here, after which he would be shipped to Canada, after which he might be tried on the Canadian warrant or even more likely extradited from Canada to the United States for trial under the original American federal warrant in connection with use of the mails.

An added fillip to the Julian case was given by the arrival here unexpectedly of Louis Lefko, also from Oklahama, in the course of a round-the-world tour. Captain Lefko was the man who issued the first warning to potential investors against Julian's operations in Oklahoma. Working first under the auspices of the Associated Advertising Clubs of the World through the National Vigilance Committee and the Oklahoma Better Business Bureau, Lefko was broadcasting over the radio once a week, exposing frauds and warning the public of crooked promoters. On March 21, 1930, shortly after Julian had arrived in Oklahoma to promote his pet projects, Lefko issued a particularly pointed warning as to Julian's operations.

According to the *China Press*, Mr. Lefko, among other things, in an interview here said:—"So C. C. Julian is in town, eh? And busy at his old game again. . . Surely Shanghai business interests and authorities don't want the world at large to know that it is safe here for crooks! The first thing they know the crooks will be starting companies here, keeping their connections hidden and taking a lot of Shanghai's gullible investors for a financial ride!"

While all this excitement as to his future has been going on, Julian himself has been calmly giving out interviews that he intends to remain in Shanghai indefinitely and eventually discover and operate oil fields in China. "I like China and I intend to stay," he said. "I have made a thorough study of the geology here and am convinced that there is oil to be found here. My hobby is bringing in oil fields where others have failed. I'm confident there is plenty of oil in China and that I will open, in years to come, different oil fields in this Republic."

Shanghai University Observes 28th Anniversary

The University of Shanghai celebrated its 28th birthday May 6, when the Founders' Day exercises were held in the university auditorium. The portrait of Rev. T. E. Tong, formerly vice-president of the univesity, was presented by his children. Dr. John Y. Lee, chairman of the board of directors, accepted the gift on behalf of the university. Mr. Tong then gave the principal address, speaking on the development of the institution. In the afternoon, the dedication ceremony for the new building at the Yangtszepoo Social Center was held. In the evening, there was an alumni dinner in honor of former vice-president T. E. Tong.

Bean-Cake Export from Manchuria at Low Ebb

Statistics issued at Dairen, May 7, revealed that the export of bean-cakes from Manchuria has been severely affected by the depression in Japan and the anti-Japanese boycott in South China. The number of bean-cakes shipped from Dairen in April totalled 988,900, showing a decline of fully 1,900,000 as compared with the figure for the corresponding month last year.

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

64-469

Why We Resist

BY WANG CHING-WEI
President of the Executive Yuan
(By Special Arrangement with "The People's Tribune")

SOME misgivings seem to have arisen with regard to to the measures which the responsible authorities proposes to take in execution of the Government's declared policy *vis-à-vis* the present national crisis. It has been repeatedly asserted, for example, that the Government must either fight against, or make peace with, the enemy, and that its alleged present inaction seems to indicate the lack of a definite policy. As the saying goes, there are other colors than black and white, and a little elucidation on this particular issue seems now appropriate and necessary.

To begin with, it must be clearly stated that it is only because we are not in a position to declare war upon our enemy that we have resorted to the policy of armed resistance. Also, it is because we cannot honorably make peace with the enemy that we believe it to be a matter of expediency to continue our diplomatic efforts. It is wrong, therefore, to presume that the Government has adopted a policy of inaction—the policy of neither seeking peace with, nor declaring war against, our enemy. The Government's declared policy is one of armed resistance coupled with diplomatic efforts.

There is no denying the fact that at the present moment we are not prepared to declare war against Japan. We do not possess the means for such. But to declare a formal war is one thing and to resist foreign aggression is another. No responsible Government would plunge headlong into an armed conflict with another, would wage a formal war, without first measuring its own strength and weighing all the consequences; but any self-respecting Government must not hesitate to resist foreign aggression regardless of consequences. In the case of resistance against foreign aggression, we have but to marshal all available material resources and face the enemy with courage and determination. And the consideration whether or not we can resist with any degree of success need not, and in fact, should not, enter our minds at all.

Economically Unprepared

At the present juncture we are economically unprepared and militarily weak, although we are devoting more than nine tenths of our national revenue to military purposes, our troops at the front are still lacking in foodstuffs and ammunition, not to mention other essential military requirements. This state of affairs is patent to all and there is no need of denying it. On the other hand we must not forget that China will be in a worse plight if she does not resist. Just for a moment imagine what would happen if our country be completely under the subjugation of our enemy. Can there be any question that the little military equipment we now have, will be taken away from us? Even then, shall we give up the idea of fighting our enemy and recovering our lost territories? Undoubtedly no. Then why talk of giving up resistance when we are still able to fight, however poorly epuipped we may be?

It naturally follows, therefore, that the Government is prepared to ignore all handicaps and not to worry itself about lack of funds and necessary equipments, that the people must be prepared to suffer the loss of their homes and their fortunes, and that our soldiers must be ready to resist all attacks in spite of the absence of adequate supplies. For only when we are prepared to face stern realities unflinchingly, can we hope to carry on the campaign of armed resistance with any degree of success.

Effective resistance cannot be achieved by words but only by deeds—and true patriotism can only express itself in a calm determination, in every essential aspect, to protect the nation at all costs. The time for vociferous clamoring is over, for it is the duty of every true patriot to exert his utmost, and perform in a concrete way his share, in the work of national salvation. Neither is today the time for slogans and posters. Realities must be faced in their naked form, the practice of misleading ourselves in an attempt to secure a temporary advantage must be discontinued. The customary campaign of war propaganda, of "victories," "tactical withdrawals," and "changes of strategy," when facts are otherwise, should be immediately stopped. Such fabricated "war news" not only sound ridiculous to our enemy as well as those who know the real situation, but also tend to build false hopes which almost invariably lead to disappointment. What is needed now is fewer words and more deeds, less of clamoring, more of careful and clear thinking by the entire populace.

There is no doubt about the future, because ultimate success is ours. But ultimate success means remote success, and, in the meantime, we can only aim at meeting the present emergency to the best of our ability. It is not altogether unlikely that we may lose more territories as a result of our determination to resist, just as we have lost the Three Eastern Provinces and Jehol as the result of the policy of non-resistance. It is, however, preferable to lose in spite of resistance than to yield without a struggle. What we should concern ourselves with is not whether resistance will prove effective or not, but whether resistance has been offered to the limit of our ability; for defeat today may lead to victory tomorrow.

Such being the case, the question naturally arises as to why we should resort to diplomatic efforts and yet refrain from suing for peace with the enemy. The answer is not far to seek. Under present circumstances, peace with the enemy means ignominious surrender, the formal cession of the Three Eastern Provinces and Jehol to Japan and the humiliating surrender of sovereignty over this vast stretch of national territory. It might, of course, be argued that this temporary national humiliation should be borne for the sake of ultimate revenge, that having lost part of our territory when the country was not prepared to defend itself, we could henceforth devote ourselves to the task of regaining the lost territory in future. But the most important consideration which seems to have been generally overlooked is the certainty that the loss of this vital part of our territory will inevitably lead to the total dismemberment of the entire country. If it were true, as an ancient proverb has it, that it would be infinitely better to have one's whole arm amputated because of a bite in the hand by a poisonous snake than running the risk of losing one's life, we would be justified and wise in ceding the Three Eastern Provinces and Jehol to the enemy. But when it is clear that such a loss will eventually lead to more serious consequences, it would then become a choice between a glorious death and a humiliating extinction. And the sensible and honorable man would prefer death to humiliation. Solemnly to confirm the loss of the Three Eastern Provinces, therefore, would be tantamount to signing our own death warrant; because, the process once started cannot possibly be arrested until the entire country has, in one way or another, fallen into the hands of our enemy. This then is why there can be no question of peace with Japan.

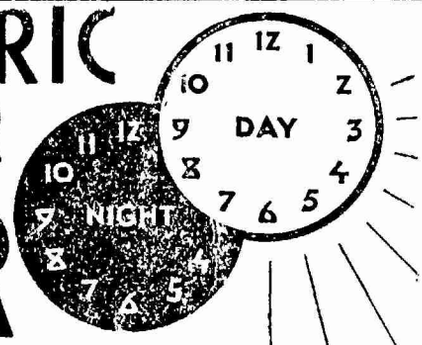
Pledged to Respect Territorial Integrity

What, then, is the meaning of continuing diplomatic efforts? It seems that too much significance has been attached to this phase of our present policy which, unfortunately, has given rise to false hopes, frequently resulting in unnecessarily bitter disappointments. For example, I have heard it said that we must assume the role of Belgium at the time of the World War, although it is hard to see how the comparison could possibly be valid. It must be remembered that as soon as Belgium was involved in the armed conflict with Germany, both France and Russia were drawn into the war almost simultanously. Great Britain also became immediately involved. The situation to-day as regards Japan is entirely different; for although Japan seems to have lost the sympathy of the world in general, her military and economic position has remained secured. On the other hand, while China has obtained the moral support of the world, militarily she is in an isolated position and, economically she is helpless. How, then, can there be any comparison between China of to-day and Belgium in 1914?

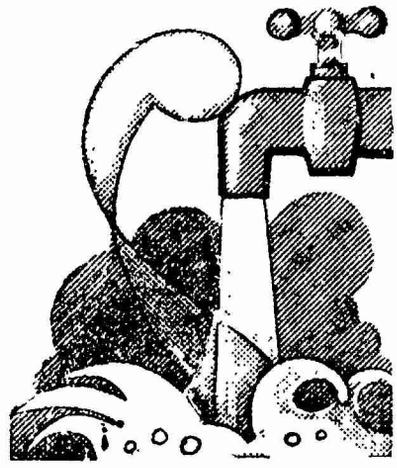
At the same time, we must take care not to underestimate our strong position in the moral estimation of the world just because of the reason that, in the material sense, this has not been of great advantage to us. We must not forget the fact that, by virtue of several international conventions, the various signatory Powers including both China and Japan, are pledged to respect the territorial integrity and political independence of one another and to substitute peaceful means of settlement for war. This commitment by the various member countries is of the utmost importance to world peace. The moral obligation of the various countries concerned is such that the partition of any member nation after the

64-470

AN ELECTRIC BATH-WATER HEATER MEANS HOT WATER ALL THE TIME



IT IS
AUTOMATIC
ALWAYS READY
EXTREMELY CONVENIENT
PERFECTLY CLEAN
ECONOMICAL IN USE



Shanghai Power Company

Head Office: 95 NANKING ROAD :: TELEPHONE 11010

fashion of the partition of Poland by Russia, Prussia and Austria, is now an impossibility. For the time being, due to various reasons, the Member-States of the League of Nations may not be able to bring economic or military pressure to bear upon the offending member, but morally, the latter has placed herself in the very worst light possible in the eyes of the entire world.

Negotiation with Japan at the present moment, therefore, is entirely out of the question. It may become possible in the future when Japan has returned to the League of Nations and is prepared to abide by its resolutions or when she has abandoned her present policy of aggression and voluntarily cares to join hands with China in a mutually agreeable programme of live and let live. There may also be other contingencies which will make it possible for China to come to terms with Japan. But whatever these may turn out to be, we have fixed for ourselves, compatible with national honor, a minimum limit within which we shall not hesitate to come to an understanding. Beyond this limit, however, we should rather die than suffer humiliation. This is the fundamental meaning of what I understand by diplomatic negotiation.

In a word, if it is derogatory to our national honor, not only would we refuse to be cowed into submission by Japan alone, but also even if all other countries should combine in attempting to coerce us.

Boycott Continues in Shanghai

The Dry-goods Trade Union in Shanghai started a general inspection of all dry-goods shops in Shanghai on May 10 in search of Japanese products. The Union has also issued a circular notice to all its members advising them not to import any more Japanese products and to cancel any already ordered.

Mrs. Pearl Buck's Case Will Probably Not Affect Her Husband

A recent telegram from New York stated that as a result of the altercations that have arisen in the Presbyterian Church and its Board of Missions over Mrs. Pearl Buck's criticisms, a movement has been started to purge the Mission organization of all modernistic tendencies.

Dr. John Gresham Machen, who recently resigned from the faculty of the Princeton Theological Institute, has portrayed Mrs. Buck as a representative of those individuals who, having achieved success in a certain field, are carried away by public acclaim and pose as oracles on unrelated subjects of which they know little or nothing.

Missionary circles have also been discussing the question of the future of J. Lossing Buck, husband of the woman whose criticisms of missionary work have raised such a storm. Mr. Buck is head of the school of agriculture and forestry of the University of Nanking, a position which will have control of a fund of approximately U. S. $645,000 ($460,000 from the University of Nanking and $185,000 from Yenching University) from the original million dollars left as balance from a U. S. $6,000,000 relief fund subscribed in the United States for sufferers in the North China famine in 1920 and 1921. Mr. Buck is at present in the United States doing research work and whether his position will be affected by the current storm is a question still to be determined. The general impression is that it will not.

The members of the China Famine Fund Committee are Messrs. Arthur Bassett, Shanghai, chairman; C. R. Bennett, Peiping, vice-chairman; C. E. Patton, secretary, W. A. Main and J. B. Powell, all of Shanghai. Alternates are Messrs. O. G. Steen, J. E. Shoemaker, Frank Rawlinson and W. W. Lockwood.

Manchukuo Will Monopolize Beans, Opium and Cigarettes

(From the Review's Changchun Correspondent)

NOW, after nineteen months of the Japanese occupation of Manchuria, there is probably no foreigner to whom it would not be apparent that the foreign activities in the economic life of the country are well on the road to being stamped out. Despite the shortness of the period a thoughtful person may already perceive along what lines the Japanese will endeavor to dominate or monopolize.

We can now speak of the monopolization of railway activities, for the recent taking over by the S.M.R. Co. of all the Chinese-built and governed railways from the administration of the Communication Ministry in Changchun cannot be termed otherwise. The pending trouble with the Soviet side of the C. E. R., as a result of which the traffic along this railway is sure to diminish, being diverted to the S.M.R. routes, may also be said to be directed towards the enhancement of the Japanese railway interests in Manchuria. Besides Great Britain, Russia is the only European country which has extensive railway interests and now everything indicates that the Russians are going to lose these interests unless they adopt a policy of protecting them by armed force. As to Great Britain, which is interested in a portion of the Peiping-Mukden Railway, running within Manchurian territory, she is losing it with no prospect of acquiring new interests anywhere in Manchuria. Her present position is such that she would be glad to get back her investment at least in full and never be in the railway business in Manchuria again.

Of closer interest to foreign business circles is the attempted monopolization of Manchurian soya bean exports by Japanese through the official Bank of Manchukuo. At first sight it would appear that the Japanese have nothing to do, with this, but it should be remembered that the capital of the bank, amounting to Yen 30,000,000 was raised in Japan last year by a loan, subscribed to by Japanese bankers, foremost amongst whom there were the Mitsui and the Mitsubishi interests. Thus, behind this bank we get a close glimpse of the greatest Japanese moneyed magnates. Being so constituted, the bank has set about buying enormous stocks of soya beans against the new and old paper currencies and at the time of writing of this is believed to hold a stock of no less than 180,000 tons of this cereal. How much the bank has lost on this business cannot be said, and it certainly amounts to several millions of silver dollars. The most crushing stroke has been rendered by the recent measure of the Hitler Government of Germany, whereby the tax on margarine production—for which soya bean is a principal raw material—has been increased by 40 per cent. Because of this, the exports to that country have contracted considerably, with resultant fall in prices.

Bank's Interest in Beans

The activities of the Central Bank in the soya bean business were severely denounced by private Japanese produce dealers, all of whom petitioned the ambassadorial office in this city to take immediate steps towards forcing the bank to discontinue this practice. It was alleged that the activities of the bank of issue in the bean business, with its limitless resources, were encroachments on legitimate business spheres of private persons and organizations. Really, the pressure applied was so strong that the bank discontinued to buy the beans, but it still has a stock of about 180,000 tons of beans of last year's crop, lying at various railway stations and awaiting to be disposed of. In the meanwhile, the prices in Europe have come down enormously, making export business an unprofitable enterprise. While the bank may escape unhit from this experiment, private exporters—Japanese and Europeans alike—are believed to have sustained huge losses, especially in view of the unexpected taxation of margarine production in Germany (said country being the greatest importer of soya beans).

Once having become an exporter and with an unprecedently large stock of beans on hand, the bank is trying to find out ways and means to have them disposed of, for which purpose it influenced the South Manchuria Railway Co.,—an institution having a hegemony over all economic and industrial activities in Manchuria,—to increase its ocean-going tonnage for the purposes of shipping the bank's beans to Europe. The railway company at once set about to carry the arrangement through, and within a short time contracted, through its European and American functionaries, to buy 18 large ocean-going steamers, six of which had actually been purchased and set sail for Dairen, where they were in due time incorporated into the fleet of the Dairen Kisen Kaisha,—a shipping department of the S.M.R.

The transaction would have been closed without much ado had at that time the Communications Ministry of the Japanese Government not interfered, as it regarded it as an infringement upon the national shipping program, a program whereby the country should increase her merchant marine not by means of purchasing obsolete ships, but by the launching of new ships, built in Japanese shipyards. In short, there arose a heated controversy among various branches of the Government as a result of which the S.M.R. Co. was directed to cancel the purchase of 12 steamers. This episode shows that the Japanese mean to dominate the bean exports not only as sellers but as carriers thereof as well. In both these cases the main losers will be the great foreign shipping companies, which have been doing a thriving business in transporting huge quantities of beans to Europe from Dairen and Vladivostok. The cancellation of the purchase of old ships does not, however, mean that foreign shipping concerns—foremost among which are such great lines as the P. & O., the Blue Funnel Line, the Glen & Shire Line, the Hamburg-America, the North German Lloyd, the Lloyd Triestino, the Java-China-Japan Line and many others—should rest assured, for within a year or two the Japanese will have a fleet of no less tonnage than the one they wanted to have this year, but home built and equipped. Up till now, the Japanese ocean going shipping has been considerably harassing other nations, being no small factor in the persistent business stagnation in shipping circles. Now, when that shipping has put up a definite policy of carrying Manchurian produce in Japanese or Manchukuo bottoms—which means the same thing—the foreign shipping concerns, above mentioned, will have to pause a little and reflect on the ways of compensating themselves for the inevitable loss of the soya bean trade, constituting no small part of their activities.

A representative of a great European soya bean exporting house, having extensive interests here as well as in his own country, where his concern has a number of oil extracting mills—his concern being one of the oldest of its kind and having in the past survived more than one business depression—expresses the opinion that the soya bean business as such is slipping away from Europeans, that they are being put in such a position as to curtail their present activities, and that there has arisen a possibility of their being crowded out of the business entirely. In the first place, he emphasized the sinister developments around the C.E.R., the management of which is now being pressed in such a way as to minimize its competing policies with other railways, notably with the S.M.R. It is well known that the C.E.R. has been affording preferential freight rates for shipments via Vladivostok and all the great foreign export houses—as the Anglo-Chinese Trading Co., L. Dreifus & Co., etc.—have been using this route, since the using of same afforded a greater margin of profit from the sale of beans in Europe. It is of interest to note in this connection that no Japanese shipper has ever used the via Vladivostok route for his shipments, for the rebate he receives from the Japanese-owned S.M.R. is much greater than the one he would have from the C.E.R.

Europeans Being Forced Out

On top of controversies on the C.E.R. there is being increasingly heard a cry for revision of the freight tariffs of this railway and, because of the strong attitude of the Manchukuo side of its administration, it is a foregone conclusion that the freights between Harbin and Changchun will be reduced enormously, which in turn will deal a death blow to the via Vladivostok shipments of Manchurian exports, or—in other words,—the hitherto independent railway—the Chinese Eastern—which has managed to stave off the Japanese influence, will fall under the indirect control of the S.M.R. About this possibility the gentleman with whom I spoke, had no second opinion, fully realizing that the times of yore for the bean business have passed not to return. "The doors are open to get out of this business too," he said emphatically.

That the activities of Japanese exporting houses tend to monopolize the soya bean export business is apparent also to *Finance, Trade and Industry*, Harbin, which writes in its issue of April 16 that "the Japanese exporting houses, namely, the Mitsui, the Mitsubishi and the Nissin Oil, have, since the end of 1932, expanded their activities enormously, which can be seen from the statistics of their exports to Europe alone during January of 1932 and 1933, respectively" and the journal cites the following figures as an illustration of its statement (in tons) :—

	1932	1933
Mitsui	1,346	39,082
Mitsubishi	9,712	17,517
Nissin Oil	1,022	5,960

COLLEGE OF CHINESE STUDIES

COOPERATING WITH

CALIFORNIA COLLEGE IN CHINA

PEIPING (PEKING) CHINA

SUMMER TERM—1933 JUNE 26—JULY 28

5 WEEKS

REGULAR LANGUAGE STUDY

The usual courses offered by the College in the Chinese Language will be given by the regular teachers. The work is done in general classes, section classes and by individual tutors. Courses will be offered in both the Spoken and the Literary Languages.

ADVANCED CLASSES

Courses will be offered in the Confucian Classics, in T'ang poetry and essays, and in newspaper reading, to be taught jointly by Chinese and foreign instructors.

Class work and lectures will be given in the morning, Monday to Friday. The afternoons will be reserved for sight-seeing, library work and individual study. A few lectures will be given in the evenings.

Language teachers will be available in Peiping all summer and the library is open every day. The hostel is ready to receive guests at all times. Many people plan to spend their summer vacation in Peiping.

ACADEMIC CALENDAR

End of Spring Term	Friday, June 9, 1933
Opening of Summer Term	Monday, June 26, 1933
End of Summer Term	Friday, July 28, 1933
Opening of Autumn Term	Monday, October 2, 1933
End of Autumn Term	Friday, December 15, 1933
Opening of Winter Term	Tuesday, January 2, 1934.

Apply to: **W. B. Pettus,**
College of Chinese Studies
Peiping

Telegraphic address: Language, Peiping.

How the B. A. T. is Being Hit

A knife is being sharpened for the killing of another industry, also inaugurated by foreigners and in which they have so far succeeded to hold their own. I mean the tobacco manufacturing industry in Manchuria, about 60 per cent of which has been controlled by the British-American Tobacco Company. The company maintains extensive cigarette-making plants in Mukden and Harbin and has dealers in practically every hamlet all over the country. Recently rumors were spread to the effect that the management of the company has succeeded in coming to some sort of arrangement with the Manchukuo Government about the maintaining of a monopolistic position by the company in the country in view of which the company—so goes the saying—has had to pay a certain lump sum of money to the Manchukuo treasury. Inquiry in certain well-informed quarters elucidated the fact that such an arrangement really does exist; however, both the parties are equally conscious that this arrangement cannot last long, for, once having put its house in order, the Changchun regime means to introduce a tobacco monopoly, and along the lines now operating in Japan. Once the monopoly is introduced, it will mean the enhancement of the interests of the Toa Tobacco Company, the Japanese-owned semi-governmental establishment, the products of which have already made a considerable inroad into the spheres, hitherto dominated by the B.A.T. The Japanese concern has its own extensive plants in Mukden and Yingkow, not to speak of several located in Korea and also at Dairen.

That the monopoly will be introduced sooner or later, the writer ascertained quite by chance, when he learned that a number of acute Japanese businessmen have established a number of cigarette factories in Mukden, Changchun and Harbin, in the hope of selling them to the monopoly bureau, of course, with some profits for them. These establishments are quite insignificant from the point of view of investment, output and sales, and, when private manufacturing is banned, the owners thereof mean to put up quite stiff figures as compensation from the government. The biggest loser will be, of course, the said British-American Tabacco Company, which is already being harassed by the activities of moth-like factories as well as by the inrush of products of the Toa Tobacco Company.

The Opium Monopoly

If we are to speak about the monopolies projected by the new Manchurian regime or in the course of being enforced, we cannot omit to mention the opium monopoly of the Changchun Government, about which one enlightened American senator was reported to have said that it is "the most abhorred act any civilized government has ever attempted." Be that as it may, the fact is here, for the monopoly has been introduced and is said to be well on the road of paying the investment put into it. The recent conquest of Jehol Province, where poppy cultivation has been a government-subsidized enterprise, is considered to have opened a limitless resource of raw stock. As regards the initial expenditure for the introduction of this monopoly, the Government has appropriated the sum of 2,600,000 yuan for "the establishment and maintenance of the Opium Monopoly Bureau" in its supplementary budget for the current fiscal year.

Opium smokers, hitherto indulging in this vice in secret and in continuous fear of being appraised and punished, feel themselves happy, for the vice has been legalized—they now may carry on the habit in the open and with the realization that, by so doing, they are doing something good for the national treasury. The organization of this monopoly is laid—according to my inquiries—along the lines adopted in Japan for the tobacco monopoly and, more specifically, for opium in Formosa. The production and distribution of the drug is being controlled by a bureau at Hsinking which has appointed a wholesaler in each province, who in turn appoints a sub-agent in every populated place. It is presumed that the addict may buy the drug only from these officially recognized agents but in reality the matter is not quite so simple as would appear from the first appearance, for the countless private dealers in illicit drugs have not turned out their stocks to the government agents entirely and continue to deal. The monopoly will probably bring good only in the indefinite future, when the last ounce of the drug, held by private dealers, comes out in smoke and the addict gets no more supply, except from the government shops. So far there seems to be a curious competition between the monopoly people and the secret private dealers which in the long run results in cheapening the drug,—a measure quite unpermissible in Europe or America.

Changchun, May 3, 1933.

Another World Conflict in the Offing

By S. Y. LIVINGSTON HU

This is the concluding installment of an able discussion of world conditions. The first installment appeared in The Review April 22.

IT is expected that this recent Sino-Russian rapprochement will sooner or later expedite the long contemplated resumption of diplomatic relations between Russia and America—the two strong Powers, one on each side of the Pacific basin, whose co-operation will be sufficient force—moral and physical—to check Japan's political domination of the Pacific since England tacitly rejected the American offer to cooperate in an open-door policy in the Far East regarding which David Lloyd George delivered a slashing attack upon Sir John Simon's foreign policy of drift which, he said, "permitted Japan to defy the League whose prestige suffered the most serious blow it has ever received and which threw Germany into the arms of an aggressive dictatorship by its policy of unilateral disarmament and its delay in granting equality to Germany." I know that America hesitates to recognize the Soviet Government because it does not represent the Russian people and "It is based upon the negation of every principle of honor and good faith and every usage and convention underlying the whole structure of international law" but we have to admit that it is an outgrowth of Czarism with which the world ought to sympathize by way of admonition but not by non-recognition and that the defective features of the Soviet Government have already met their Waterloo while its Five Year Plan for economic reconstruction has also attracted the attention of the world as indicated in British Government Economic Council and in President Hoover's Business Committee for the study of this unfinished world economic depression. From the standpoint of international trade signs are multiplying that the world's policy towards Russia is on the eve of a far-reaching reorientation in which America is in a position to play the major part since Russia is one of the greatest of the world's potential markets and since the commercial competitors of America sought trade and other favors from Moscow during this decade of American non-recognition and since the Russian-American trade has increased year by year. For example the first fruits of the Anglo-Russian Trade Agreement were a £3,000,000 order from the Imperial Chemicals, Ltd. and the prospect of £20,000,000 in annual orders for the British industry. So America ought to take the leadership in formulating a new policy which would reconcile the novel institutions of Soviet economy with the orderly evolution of world trade. In my humble judgment, relations between peoples and states should be based not on social or political theory but on mutual political and economic interests intended for the greatest good of the greatest number and that the price of liberty is always and invariably lower than the cost of suppression. America must realize that the world revolution program of the Third Internationale has thus far failed not because of the American non-recognition but exactly because of its own impotency as a political principle and practice due in the main to the unripeness of our time. Under such past and present circumstances as the establishment of America as an Oriental Power by her occupation of the Philippines, the Cancellation of the Anglo-Japanese Alliance, the Abolition of the Ishü-Lansing Agreement and the setting up of a fictive state called Manchukuo in Manchuria by Japan as a transition to eventual annexation, America cannot ignore the responsibility of being involved in war in the Pacific arising out of the discords of Asia for purposes of national and international justice. If America is really concerned about world peace she will not worry about the wisdom and untimeliness of recognizing the Soviet Government at this time when it is up to America to take the post of Moses to lead all the peoples at least some of the peoples out of this land of chaos into a world of peace securely founded upon law and justice, behind which there must be force; because peace cannot be had by wishing and we must pay for it.

International Trade Rivalries

Of the four great historic causes of war—dynastic, religious, economic and political—of course the first two belong to the past, at least so far as western nations are concerned—the two dangers for the present and the future are political nationalism and economic nationalism. Economic nationalism assumes the multitudinous forms, namely, tariff wars, commercial conflicts in prohibitions, quotas, embargoes, exchange restrictions, economic hegemony and industrial entente and such like. The last world war aroused a determination on the part of many countries, both belligerent and neutral to conserve and strengthen at any cost the advances in diversified production already begun so the new day of international business involves firstly, the slogan "to produce all, export much and buy nothing", secondly, above all things, a determined effort on the part of business to rid itself of governmental controls and political manipulation and thirdly the formation of major and minor international alignments. Without economic causes of friction political animosities themselves would lose half their venom and national loyalties would more easily find an innocent expression. The present Japanese military invasion of Manchuria is a warning against any unqualified generalization.

High tariffs helped to cause the depression and the world unemployment of 1929 and still more the financial crisis of 1930 chiefly by increasing the disturbing effect of the intergovernmental obligations left by the war and by its dislocation of the world's gold-standard currency system. Gold drained from debtor nations to creditor nations, thus America's and France's maldistribution of gold and lowering price levels finally forced much of the world off the gold standard—America included at least for the time being—and demoralized the currencies and exchanges of nearly all countries. China has been suffering the most from this outrageous depreciation of silver throughout the world which is not caused by the over-production of silver but the over-supply of the same due to such remote and recent causes, namely, demonetization of silver since England's adoption of gold standard in 1816, the closing of all mints in India against free silver coinage in the "nineties", the overflowing or dumping of silver into the market by the post-war reconstruction, the French effort to keep silver out of circulation, Austria's withdrawal of all its silver coinage, India's adoption of gold standard in 1925 thereby forcing India to sell 75,000,000 ounzes of silver in 1928 so that China became the chief absorber of the silver dumped by the gold-standard countries, the buying of 200,000,000 ounzes of silver from America by England to pay off her obligations to India, thus resulting in the renouncement of silver by French Indo-China and the dumping of its coffers into the world market, the imposition of import duty on silver by India since March, 1930 and lastly and the worst of all, the holding and hoarding—private and public alike—of gold especially by America and France. Both America and France hold 4,200,000,000 and 2,000,000,000 gold dollars respectively thereby making up about 60% of the world's monetary gold to say nothing about the absorption of gold by India from 1909-1913 at the rate of 102,000,000 dollars per year and from 1925-1929 inclusive at the rate of 87,000,000 dollars per year so the disappearance of gold from circulation since the Great War, viz., 1913 45% of gold in circulation and 1928 only 8% in circulation. Of course the insufficiency of gold production is another cause of this gold shortage problem as the present gold output of the gold mines in South Africa, Canada and America is not commensurate with the present gold need, either for industries or for monetary purposes—to wit, the total gold production per year is only 400,000,000 dollars, while about 200,000,000 dollars per year is used for industries and other non-monetary purposes. Besides the banknote issues of all countries and deposit checks and credit instruments require too big gold reserve, so Kemmerer prescribed a gold exchange standard thus aiming at the economy of use of gold by a wider functioning of credit instrument based on smaller reserves and by a systematic development of Central Bank clearings. Personally I believe in the wisdom of returning to bimetallism at least for the time being as checks and balances against the dishonesty and profiteering of governments and bankers and for the attainment of wholesome and normal international trade which alone would solve this tremendous problem on hand because this spirit of international cooperation and of reconciling these conflicting interests of nations for the sake of common good is already being shown in various ways by various nations as Hoover's Mora-

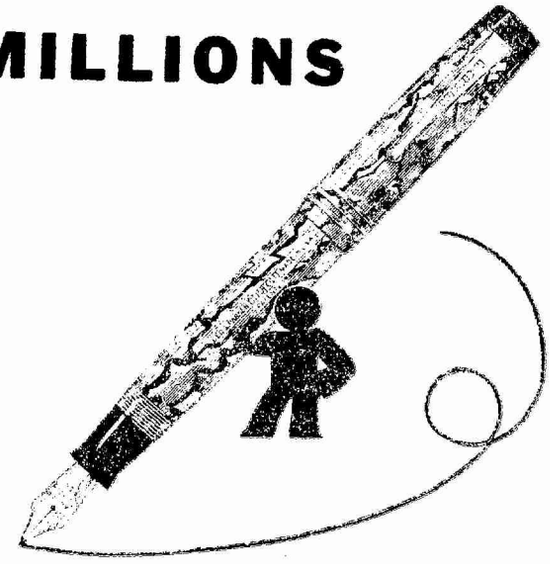
torium grant for the debtor nations, Roosevelt's appointment of Frederick Kent as the foreign exchange dictator for the purpose of controlling and eliminating speculative transactions in foreign exchange, provisional going off from the gold-standard and gold embargoes by various gold-standard countries and the proposed modification of war debts and reparations.

"Pound Foolish and Penny Wise"

There is such a situation as "pound foolish and penny wise." A hundred years ago the aggregate value of world trade was less than $2,000,000,000. By 1900 it increased tenfold to over $20,000,000,000 and by 1914 it doubled to $40,000,000,000. By 1929 it reached $67,000,000,000 and since then there can be no question as to the increasing intensity of cut-throat trade rivalry among nations by such self-murdering policies as high and preferential tariffs and economic hegemony by embargoes and exchange restrictions thus artificially stifling imports and increasing exports by raising price levels and tax burdens. Thus I am not appraising the situation with alarm on the one hand and with flamboyant patrioteering on the other. Just look at the significance of this world-wide unemployment of 1930 which came as the Sword of Damocles for presidents, prime ministers and dictators. On the basis of the data America easily had the largest total unemployed from 3,000,000 to 5,000,000, Germany with 2,347,000, England, 1,694,000, Italy 385,000 and so forth and all this was principally due to the economic isolation of nations by this ceaseless variation of protective tariffs. In view of this serious unemployment situation rationalization is urged in England so that she may have a larger share of an increasing volume of world trade and that she may compete with America, Germany or any other rival. For Germany more foreign trade and loans and less taxation and governmental expenditure are everywhere urged by her industrial and financial leaders so that she may meet her obligations and provide for her people. In America the Workers' Organizations demand shorter hours, more wages and unemployment insurance while the economists and enlightened employers suggest greater control of the business cycle, credits, stablization of industry, regularization of employment, the finding of new markets and the discovery of new articles for old markets with additional lending abroad and free trade. However I do not want to underrate those individual methods of relieving their individual unemployment and other economic ills but I know that they are self-centered and will be shortlived if they are not ultimately adapted to the requirements of the actual life of the world because the present economic chaos of the world is the greatest challenge ever given to the constructive and collective intelligence of man.

The Anglo-American oil war is not over but since 1925 the battle lines have shifted. The modern world power is economic. The nation which controls oil and other raw materials, foreign markets and credits will rule the world. The struggle for Russian oil resources has grown more bitter and another Mosul dispute is in the making. In Venezuela and Columbia, England is manœuvering for position dangerously near the Panama Canal and thus Washington Government exerts a strong policy and challenges British oil imperialism, protests nationalization laws of Mexico and other foreign fields and markets for oil is "as necessary as blood in the battles of tomorrow". I shall show briefly how this Anglo-American struggle for oil will menace this flimsy world peace because America has less than 12% of world oil reserves while England within the Empire has 6% and others have less. About 70% of world oil reserves is in countries whose weakness attracts economic and political encroachment by major Powers and they are especially located in the Mexican-Gulf-Caribbean region, the Near and Middle East and Russia. Nominally many of these oil-bearing countries have passed laws vesting subsoil rights in the native governments by restrictive regulations, royalties and duties but actually America and England have gained control of most of the world oil reserves and now America and England are fighting for supremacy. The oil problem of America is acute because industry, army, navy and aviation are dependent on adequate future oil reserves and because the demand is increasing and the supply is decreasing. Domestic resources under a competitive and wasteful system are being rapidly exhausted and the basic conservation is blocked by $11,000,000,000 of private capital controlling the industry. In the future America must depend increasingly upon foreign sources for essential commercial and military-naval-aerial supplies. American acquisition

THE FAMOUS "PRESSURELESS TOUCH"
HAS MADE IT THE FAVORITE OF
MILLIONS



IT'S ABSOLUTELY true that many people would never think of owning any pen but a **Parker Duofold.** It writes so easily, holds so much ink, and looks so well in their pockets and on their desks that they just won't change!

Try a **Parker** yourself, if you've never used one. Hold the pen lightly between your thumb and fore-finger. Let the point barely touch the paper. You're writing words without pressure, without strain or effort! That's **Parker's** famous "pressureless touch," the exclusive feature that makes writing easier than ever before!

Ask the agent to explain the **Parker's** many other superiorities: Leak-proof, non-breakable barrel. Concealed button filler. Gold point, tested eleven times. And the handsomest pen you can buy, with a choice of many exquisite colors! For sale at all good stores.

Parker QUINK—A quick-drying ink that makes all pens write better. Prevents clogging. Brilliant and vivid colors which do not fade. Also washable blue for school and home.

PARKER
DUOFOLD
THE EASY-WRITING PEN
Sole Wholesale Agents:
DODGE & SEYMOUR (CHINA), LTD.
3 Canton Road, Shanghai

64-475

of foreign reserves is blocked in many places by England and the British Government virtually excludes Americans from productive areas of the Empire while the British dominate the world's remaining supply at the same time, so what an overbearing oil imperialism and what a domineering avarice!!! This Anglo-American conflict over the oil reserves of the world is intensified by British Government ownership and direction of a company which has been reaching out for oil territories flanking the Panama Canal and thus draws America into dangerous disputes with Latin America, European and Asiatic countries over property rights which eventually converge in an Anglo-American struggle over the world's limited oil reserve as a determining weapon in their life-and-death rivalry for commercial and naval supremacy regarding which President Coolidge said in 1924 when writing to the Conservation Board that "It is even probable that the supremacy of nations may be determined by the possession of available petroleum and its products" while the American army and navy officers say that Germany's defeat in the Great War was largely due to oil shortage. I sincerely hope that future discoveries may reduce or possibly entirely eliminate the need for petroleum fuels in the national defense and thus the Americans will not have to catch up the lead so far established by their British cousins in the capture of the world's oil-producing territories and that mankind may be freed from the destructions of this international explosive-oil war. It is up to the good judgment and wisdom of those international participants in this forthcoming International Economic Conference to be held in London that they put their heads together to devise ways and means of getting rid of those irritants contributory to war as generated by both the economic nationalism and the political nationalism and to realize that participation in the future development of a dynamic world means, wholesome international trade based on mutual esteem and good will and without infringement upon the rights of the weaker and smaller nations—which is among the most invaluable stablizers of modern civilization.

Europe—A Network of Eternal Intrigues

Ethnically only in the west of Europe is the separation of races clear and unmistakable. Thus the British, Spanish and Italian peoples are shut off from their neighbors by sea and mountain and so is France protected by the west, the south and the East by formidable natural bulwarks. Latin and Teuton have been in conflict from the campaigns of Julius Caesar to those of Ferdinand Foch and for centuries the struggle has narrowed to a battle for the possession of Alsace-Lorraine. But in the central and eastern regions of Europe the situation was entirely different—which are bounded on the north by the Baltic and on the South by the Adriatic, Aegean and Black Seas thus disclosing an intermingling of races illustrated by colors and kaleidoscopic in appearance and which have no mountains, rivers and seas to separate races as in the west. Pole and German are in shock on the great plain stretching endlessly from the Urals to the battlefields of Flanders and in the vast Danubian Plain Magyar, Slav and Rumanian have hated each other immemorially within the confines of the same villages while in the Balkans the chaos of quarrelling races has been proverbial for centuries. Everywhere racial differences are accentuated by religions because Poles are Roman Catholics and the Prussians Protestants, Hungarians both Protestant and Roman Catholic. Besides, social and political distinctions intensify racial rivalries. In all this vast Central Region the Germans, the Austrians and the Magyars have long been ruling peoples on their claim of their racial superiority while the Slavs and Latins have challenged and resented their claim. In the light of the ethnic conditions of the European Continent it becomes problematical whether the settlement of Paris would prove to be a workable system of peace or a cause for fresh international conflict since it involves two contingencies, namely, whether those peoples are prepared to subordinate their national rights to a universal need for peace or democracy—a moral and political revolution and whether those peoples would accept the doctrine of peace at any price, measured in territorial and ethnic sacrifice and thereby Europe, a land of perpetual strife and struggle between racial majorities and racial minorities.

According to the personal version of the former emperor of Germany, William II, there is such a thing as sex of nations which designates nations into the masculine and feminine civilizations and the conflict between the two was at the root of the last world war and hence the possibility of new wars still more confusing and more catastrophic. William II based his conviction on the fact that climatic and geographical environment of a race determines its character and chararcteristics and that the centripetal or feminine states necessarily develop a parlimentary government representing the classes while leadership in a masculine centrifugal state represents an individual organic growth, an evolution of personality. Thus he says that there is a law of environment for the east of Europe and a law for the west of Europe which springs from the innermost spiritual life of a people—an aggragate of its racial heritage, its national destiny, its geographical and climatic conditions. The governments are products of growth not of pure reason. On the other hand forms of government seem to revolve in a circle which Aristotle described as follows, monarchy, aristocracy, oligarchy, democracy, ochlocracy and dictatorship. Thus William II classified all the nations in Europe into two groups—masculine and feminine—the former of which are Germans, Dutch, Scandinavians, Finns, Russians, Turks, Hungarians and Bulgars while the latter of which are England, France and the Mediteranean countries. For instance the nations of Central and Eastern Europe in the zenith of their history were always ruled by individuals under such different titles as Khans, emirs, sultans, kaisers, czars, dictators, shahs, guild-masters or burgomasters. Peoples in the same racial group are capable of assimilating each other but such assimilations are wholesome only if every element that remains physically or psychically inherently alien is eliminated. Certainly America for the time being is an exception but the question whether Anglo-Saxon is masculine or mixed is answered by Frobenius regarding which he says that "There is never anything absolute in the organism of cultures. They are neither purely masculine nor purely feminine and we continually discover masculine features in woman and feminine features in man". The degree to which America shows that race assimilation is possible is a question yet to be solved by a new science basing its researches upon the growth and decline of many cultures and civilizations and the American civilization is Anglo-Saxon but the sources of its culture are, however, Germanic. After all culture, power, and racial conditions are imponderable factors and one man's meat is another's poison. This holds true of nations. A nation must rely upon its own deepest instincts but not upon such vague fantastic conceptions as a "world spirit" alias "Democracy" or a "world Conscience". It cannot violate this law if it hopes to survive because the most ghastly oppressor of liberty is the man who rides a dogmatic hobby and rides it to death!!! Just see China, and Europe.

The Wicked Paris Conference

With regard to the territorial issues of Europe—the Polish Corridor, the Anschluss, Hungarian Irredentism, the Czechs and their Minorities and the Adriatic and Balkan Question—the wicked Paris Conference inevitably bears the brunt of the whole thing because it insured the continuation of the divisions of the war. Thus the peoples whose frontiers had been mutilated and provinces partitioned now demand the revision of the peace treaties while those who had attained liberty, unity or security insisted upon the preservation of the status quo. It is the clash of these purposes which prevents the reconciliation of peoples in Europe so the Paris Conference can be best called a conference of imperialist Powers for the possession of provinces and cities of the smaller and weaker powers in Europe. Any close examination of the territorial issues of Europe must, then, lead to two inescapable conclusions, namely, that for the peoples at odds these issues are questions involving their national liberty and security for which they are prepared and ready to fight and die to acquire and that the rights of the contesting peoples are irreconcilable by virtue of the physical, ethnic and economic circumstances and by the fact that recognition of the rights of one nation must be at the sacrifice of those of another. The tragic reality is that these rights, equally appealing, those wrongs, similarly convincing, can lead only to war.

Now let us look at the warlike national policies of the nations in Europe—the revision of the Treaty of Varsailles for Germany, security and the hegemony of Europe, for France, restoration of the Polish Corridor and the eradication of the ruins written in the story of its partition and her return to unity as a power in Europe for Poland, resistance of the Magyars and the restoration of the lost kingdom of St. Stephen for the Little

Entente, a Union of the Czechs, the Rumanians and the Serbs, recapture of the hegemony of Europe as a naval, trading and banking Power from the hands of France for England, Reinstatement of Italy as a colonial and Naval Power in Europe as in the time of Caesars —a policy of "nothing for nothing" as affirmed by Mussolini for Italy, and a policy of World Revolution for international tranquility for Russia—and found that Europe today has again become an inextricable net of hatred, distrust and hidden rivalry—to wit—Italy distrusts France and Jugo-Slavia; Jugo-Slavia distrusts Italy, Albania and Bulgaria; France distrusts Italy and Germany; Germany distrusts France and Poland; Poland distrusts Germany and Russia; Russia detests and denounces as an irreconcilable enemy the whole of the capitalist Occident. In 1914 war came, not because any people wanted it, but because the national policies which all peoples in Europe were pursuing and the objectives which they were seeking, could be realized only through victorious war. So is the situation in Europe today not only unchanged but with additional new grudges and grievances as engendered by the Treaty of Versailles with regard to disarmament, war debts, war reparations and the division of the war booties in view of this Wilsonian slogan—"To make the world safe for Democracy" instead of making Decocracy safe for the world which alone accounts for the failure of those international efforts for peace as expressed in the League of Nations, the Washington Conference, The Locarno Treaty, The Nine Power Treaty, the Kellogg Pact and such like conferences on disarmament and war debts and reparation. Besides those expriments in peace were devised and designed in accordance with their own national interests and then tried to impose these upon the rest of mankind while forgetting that the problem of peace when solved in the right way is to subordinate the rights of individual nations and races to the collective right of all mankind. Since the inauguration of Hitlerism the prospect of peace in Europe has become darker than ever since there has been a complet deadlock between the French and German views on every important issue and neither side shows the slightest inclination to yield. For instance on the disarmament question Germany argues from the standpoint of equality in armament or disarmament while France pleads for assurance of security. There have been rumors rampant in Europe as to the German-Italian bloc versus France and the possible Franco-Italian Rapprochement which, if feasible, will be a political-and-diplomatic miracle performed by Ramsay MacDonald portending evil omen of secret alliances for a collective suicide in Europe in particular and for another world war in general since this Japanese military invasion of China would be a cause ample, irritating and justifiable for another world war in defense of right against might although I know definitely for two reasons—the economic depression the world over and to mark time to see that Japan gets enough ropes to hang herself to death—that no nation on earth is financially and otherwise capable of waging this sacred war now nor in the near future but I also claim to know better that other nations are being more aggressively prepared either for the defense of right or might than China is being prepared for self-preservation or if China had that common-sensed intelligence to know and to realize that self-help is the best help. I do sincerely wish that England and France would have the courage to face the irreducible facts in Europe honestly instead of seeking for a shortlived solution by bringing about secret alliances and by making impossible rapprochements conditionally upon their own individual interests and limitations and that China would take this final lesson given to her by Japan that union is strength and self-reliance is manhood or China will be the lone malefactor of this impending world conflict out of which China will emerge as a one hundred per cent prodigal son in the sight of God and man.

The world belongs to those who think and loses to those who feel. In view of the heavy war clouds rapidly gathering in the horizon I wish that China and all other small and weak nations of the world would start outright to arm themselves adequately in order to meet the exigencies of the day like a man instead of being further hypnotized by such hoodwinking peace pranks as the League of Nations, disarmament and anti-war pacts of various types of those bloodthirsty imperialist Powers and as soon as they realize that to fight is a human instinct and that armaments are the sole guarantee of

(*Continued on page 435*)

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"Via CGRA-RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES....

In CHINA file your messages

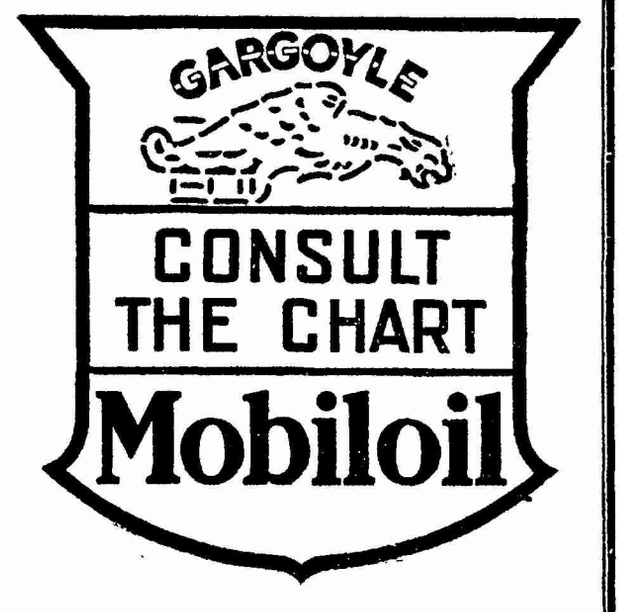
"via CGRA—RCA"

(Chinese Government Radio Administration
R.C.A. Communications, Inc.)

R.C.A. Communications, Inc.

(A Radio Corporation of America Subsidiary)

Office of Representative—Sassoon House—Shanghai.



A Close-Up View of the Puppet Ruler at Changchun

BY UPTON CLOSE

(In the New York Times Magazine)

THE capital of Manchukuo, formerly Changchun, renamed Hsinking, consists of one street nearly three miles long. The first mile, extending at an angle away from the railway track, is within the foreign railway concession taken by Japan from Russia in 1905, and therefore is "Japanese town." It is policed by tight-disciplined, khaki-uniformed Japanese, quartered in substantial brick stations located at intervals along the street. Ricksha coolies, droshky drivers, chauffeurs and pedestrians, with an eye on the nearest officer, warily keep to the left.

The second mile is the old Chinese town. Here shops, characteristically, are more ornate and closer together and the people block the doorways. The police are Chinese, in carelessly fitted gray uniforms; they bellow loudly but seldom strike, and traffic becomes truly Chinese — all over the street. This section was being macadamized when the Japanese coup took place in September 1, 1931.

The third mile is new "capital town" — an extension ending in a fine new concrete bridge over the Itung River — designated as the site of future great buildings to house the government of the world's latest-born nation. Beyond the bridge stretches the endless Manchurian prairie.

A Frontier Town

Such is the frontier town, gray as the prairie earth, comfortless and indefinitely bounded as the open horizon, which houses Henry Pu-yi, 27 years old, last of the ruling house of the Manchus. He resides on the steppes where his fore-fathers left the backs of their horses to practice Chinese court ceremonies and only 600 miles as the crow flies from the great walled capital of China, which they adorned for eight generations. But the contrast with the Edenic expanses and nooks of the Gardens of the Four Seas and with the golden-tiled roofs of the Forbidden City is startling.

My droshky driver was determined that I should see first things first. After having taken me the length of Main Street and back, he drove the scraggly pony off the macadam up a dusty rise lying in the angle between the street and the railway. We passed the new penitentiary and some straggling barracks, and skirted a lumber yard, to come abruptly against a gray brick wall surmounted by a corrugated iron cupola. This enclosure contains one Western-style building, which formerly housed an English inspector of the salt gabelle, and a few other structures which are little more than sheds, the former barracks of the salt police.

I had been insisting to my grizzled Jehu that I did not want to see Pu-yi's throne hall or office or whatever it might be called, but his actual residence. His reply had been a non-committal grunt. Now he waved his hand comprehensively. "Private domicile, official residence and palace," he announced.

I looked at the drab, fifteen-foot walls, with tops of none-too-elegant buildings showing slightly above, and at the nondescript guards who lolled, rifles strapped to backs, about the two gates. "—And prison?" I asked.

The droshky driver smiled grimly. "Foreign Elder-born much understands this side things," he replied.

Here Pu-yi spends his days and nights, emerging only rarely for short motor trips along Main Street in company with his Chinese chief of bodyguards and some Japanese high official, who has come to fetch him. The total complement of the "palace" numbers perhaps 200, including his two scheming Manchu uncles and their families, his secretaries and servants and guards—all Chinese. Perhaps now and then he recalls that as baby Emperor in Peking he had 5,000 courtiers!

In contrast to the royal barges on the great marble-bridged lotus lakes of Peking, the theatre whose orchestra pit was a pool designed to mellow the voices of actors and Chinese instruments, the polo and football courts, the riding paths, the rock and flower gardens, the towering artificial hills, Pu-yi has here for recreation facilities only a dirt tennis court. Eagerly, each day he awaits the arrival of some Japanese official trained in university sports who will "give" him a set of tennis before sundown. When press of work, some Japanese state function or the excitement of a near-by uprising or bandit raid prevents the coming of his tennis antagonist, the evening drags heavily on his hands.

In Peking Pu-yi had the greatest museum in the world on which to sharpen his esthetic taste; gallery after gallery of jades and porcelains and paintings, room after room of brocades, velvets and silks. There are no treasures in his fortress residence in Changchun. Even the few things he had in his home in the Japanese concession at Tientsin he was unable to bring, for his transfer to Manchuria was sudden and unexpected. The treasures of Peking, once his personal property, now belong to the Chinese State. The best are being arranged, in the once private and sacred halls, so as to make of them the world's largest museum, for tourists to visit at one Chinese dollar per head. The bulk of his family possessions are being auctioned at pathetic prices every Saturday and Sunday in the Forbidden City.

These treasures, gathered by his imperial forebears—the greatest collectors in history — are at present under control of a man about his own age who is a member of the proletarian clan of Chang. This Chang Hsueh-liang he has now displaced, at the pleasure of an alien army, as administrative head of the vast region known as Manchuria.

As a youngster in Peking Pu-yi, was already becoming a student of Chinese history, literature and esoteric religion. But the illiterate "Christian" General, Feng Yu-hsiang, drove him out of his Forbidden City in 1924, and since that time he has had no access to the library of his imperial forerunners, the encyclopedia edited by his cultured ancestor Chien Lung or the standard Chinese dictionary compiled by his warrior-scholar ancestor, the great Kang Hsi. Now, in the Salt Barracks of Hsinking, Pu-yi reads English novels, including the mystery thrillers of Edgar Wallace and the machinations of Fu Manchu.

Fluent English

Pu-yi is not without a mind of his own, although his definite stands are taken on trivial ceremonial matters rather than on the large issues of statesmanship. When, for instance, the League of Nations commissioners investigating Manchuria entered the reception room in the Salt Barracks, he read them a speech in classical Chinese, eulogizing them for coming around the world to honor Manchukuo, "a new bright star in the galaxy of nations." Then, in fluent English, he chatted over the champagne about anything except Manchukuo and himself. The League commissioners attest that the table service was perfect. In the seat of honor, to the left of the table of reception, sprawled a life-size, painted French doll.

Nothing is harder to verify than the many rumors regarding the manner in which Pu-yi was "pried" out of his Tientsin retreat and his consequent relations with the Japanese military group that created "Manchukuo." But Pu-yi's earlier attitude gives a basis for estimating them.

He never received other than dishonest and rude treatment at the hands of the various Chinese republican factions — who failed to pay the annuity guaranteed the deposed family at abdication and who finally drove him out of his own grounds. Yet he desired to be a Chinese patriot rather than a disaffected schemer against the government. This was due to the training of Professor Reginald Johnston, the English tutor of his youth.

In this he has a parallel in Chang Hsueh-liang, who, taught in Western ideals of patriotism by his veteran adviser, W. H. Donald, an Australian newspaper man, has repeatedly acted against his own personal interest and in that of Chinese national unity—even though it has meant the loss of his father's provinces.

Since coming of age Pu-yi is known to have evaded repeated proposals for restoration of the throne or for damaging the Chinese Republic. His eight-day experience as restored Emperor in 1917, when he was 12 years old, has hung over him like a nightmare. Upon taking residence in Tientsin he announced that he had

demoted himself to the status of an ordinary Chinese citizen. He gave up the dynastic appellation, taking his private given name Pu-yi—meaning "Universal Righteousness"—for a surname and Henry for his given name.

One is therefore prepared for the story, told by his Chinese personal physician, who recently escaped from Japanese hands in Manchuria, that last year's Tientsin riot was used by Pu-yi's uncles and Japanese agents to get him out of China. Pu-yi was informed, so the story goes, that the Chinese mob was clamoring for his life and that the Japanese, while shooting in his defense, wished him to embark immediately for Dairen, both for his own sake and that of Tientsin city. Not until he reached Dairen was he apprised of his new role. He stubbornly objected, refusing to proceed to Changchun until, according to the physician, he was struck down by the flat of an officer's sword.

After he reached the new capital, he was informed that his title would be "President," then "Premier." But the blood of emperors in him revolted at this. A plain citizen he preferred to be; certainly a "President" or "Premier" he would not be. On this he was adamant. And so his Japanese masters and their Chinese collaborators compromised with him on the title "Regent"—dug up from fourteenth-century Japanese history. Withal, a "Regent" who holds real power and is not ruling in the name of any one seems an anomaly.

No Japanese surround Pu-yi, except those who bring him papers to sign or come to play tennis. With what seems wisdom the Japanese makers of the new State have placed him entirely in Chinese hands. They have learned from costly experience that it is unwise to place coal mines or airplane hangars in sole charge of the Chinese forces of the new State; but there is no risk in leaving Pu-yi to the care of the Chinese.

The servants in the Salt Barracks render the "Regent" a professional respect mingled sometimes with pity, but not in the least with awe. The day when a Manchu was god to a Chinese passed with the passing of the Empress Dowager. This young offshoot of an imperial line is most pleased when his servants call him not by his new official title but simply "Lao-yea"—Ancient Grandfather—as they would any important master.

Regent Pu-yi's work-day schedule has a meticulousness which proclaim it Japanese, as much as it denies to Chinese, origin. It is posted in the reception room of the Salt Barracks. The part on which wags have seized is this: "8 to 8:30 p.m. Converse with Mrs. Pu-yi."

The former Manchu Emperor has only his "Western Queen." Two first-rank wives (Eastern and Western, named from the quarters they occupied in the Forbidden City) were betrothed to him when he reached the age of 17, although the family decided to forego the two lesser wives customarily taken by Emperors along with the two full consorts. The "Eastern Queen"—the ranking one—took too seriously the modern tutoring decreed for her by her young husband and parted from him in Tientsin. She is now founding a girls' school in Peiping on her separation settlement. The "Western Queen" is said to be an admirable consort to Pu-yi in his present circumstances.

Pu-yi's program sounds as if he were a very busy man, but in fact little demand is made on him for interviews and office work. He is transcendentally aloof from both Japanese and Chinese elements in the new State—tied to them neither in mutual interest nor affection. Yet he maintains his relations with the old princes of the Mongolian frontier and beyond. These are distant kinsmen of the former imperial house.

Now and then a delegation of them, escorted by Japanese, arrives at the Salt Barracks, clad in flowing red robes and great felt boots. Then all women are excluded from the courts; Pu-yi dresses in Manchu costume and receives obeisance and feasts, and feels, perhaps, that he matters. One wonders what the hardy sons of the steppes say to one another as they swing into their carpet-seated saddles.

One wonders, too, what might be said by the terrible old Empress Dowager Tzu Hsi, who chose Pu-yi from a collateral line to succeed her and, a few hours before she took to her deathbed, crammed the choice down the throats of the kneeling Manchu princes. What would she say to him if she were to stalk forth from her domed sepulcher in China's northern mountains?

Pu-yi is the last dry twig of a mighty tree. Queer, romantic fate has blown this twig back to the home soil, but it will not take root.

FLOWERS

FOR EVERY PURPOSE

We have a special department on the Ground Floor of our Store carrying stock of all fresh flowers in season, daily, flower pots, and miniature landscapes. Just call 92659 or 90112 on the phone and we will deliver the flowers required to any address in Shanghai.

THE WING ON COMPANY
(SHANGHAI) LTD.
Nanking Road,
Shanghai.

A. B. C.
Sporting Goods
Department
"KEDS" SHOES
TENNIS RACKETS
SWIMMING SUITS
30% DISCOUNT FOR CASH
THE
A.B.C. Underwear Co., Ltd.
SALES OFFICE:
472 NANKING ROAD TEL. 94431

64-479

The American Stake in the Philippines

BY HARRIET MOORE

(Foreign Affairs for April)

THE Philippine Independence Bill, passed by the Congress of the United States in January over the President's veto, provides for the relinquishment of American sovereignty over the Philippine Islands, subject to a plebiscite of the Philippine people. Within a year the Philippine Legislature is to call a convention to draft a constitution which, after being approved by the President of the United States, must be submitted directly to the Philippine people for acceptance. The government provided in this constitution, if accepted, would function under the control of the United States during a ten year transition period, before achieving full independent sovereignty. Under the terms of this bill, therefore, the Philippine Islands would within about twelve years become a foreign country *vis-à-vis* the the United States, although certain military reserves might remain in the hands of the American army authorities. To understand the full implication of this we must know the exact nature of the investments and obligations of the United States Government in the Philippines, as well as American private economic interests in the Islands, the position of which would be affected by the change in sovereignty.

The United States made an initial investment of $20,100,000 in the Islands in its payment to Spain at the close of the Spanish-American War. Since that time the chief expenditures have been for military operations. The cost of pacification from 1898 to 1902 was in the neighborhood of $177,000,000 and from 1900 through 1931 the military and naval expenditures are estimated to have totalled $485,000,000. For the same period the civil expenditures have exceeded $8,000,000. Of this latter sum $3,000,000 was appropriated immediately after the war for general reconstruction, one-third for the Baguio road, the remainder for other public works; the other $5,000,000 was appropriated largely for geodetic surveys on a dollar-for-dollar basis with Philippine Government appropriations. In addition to the direct appropriations from the United States for the Philippine Government, there is a large annual payment to the Philippine Treasury in the shape of refunds of all taxes on Philippine goods collected in the United States. Refunds from customs duties, chiefly made before the establishment of free trade, have amounted to $3,709,957. Through 1931, internal revenue tax refunds have totalled $12,779,190.

America's Expenditures in the Islands

The present annual expenditure of the United States Government in the Philippines amounts to about $670,000 in civil and $13,000,000 in military expenditures. The cost for the fiscal year 1931 was divided as follows:

Bureau of Insular Affairs	$77,461.04
Coast Geodetic Survey	169,360.00
Public Health Service	47,202.62
Philippine Resident Commissioners	32,232.00
Customs duties to P. I. Treasury	11,581.14
Internal revenue refunded	323,461.13
Department of Agriculture	4,244.00
Total Civil Expenditures	$665,541.93
Army	$9,378,088.35
Navy	3,172,738.35
Total Military Expenditures ..	$12,550,826.70
Grand Total	$13,216,368.63

During the proposed transition period, before independence, these expenses would probably remain about the same. The resident Philippine Commissioner would no longer be paid by the United States, but the High Commissioner who is to take the place of the Governor-General, at present paid by the Philippine Government, would be paid by the United States. On the granting of independence, the civil expenditures would be eliminated, but it is doubtful if the American army budget would be greatly reduced. Only $4,826,407.33 of this item would be saved completely, this representing the amount paid to the Philippine Scouts, a native troop. The other forces now in the Philippines are probably part of the minimum national forces of the United States and would be transferred to some other station. Moreover, naval expenditure might increase, because the Philippine Government now pays the upkeep of important naval stations in the Islands, and this cost would be transferred to the United States. Thus reductions in the federal budget would probably be nearer $5,000,000 than $13,000,000.

The second factor to be considered in summing up American economic interests in the Philippines is the United States Government's ownership of public domain. At present it nominally owns 80 percent of all the land area of the Islands, amounting to 11,470,000 acres of arable land. This is the land which has not yet been taken up by homesteaders under a formal title. The United States would grant to the Commonwealth of the Philippine Islands all this property, with the exception of military and other reservations designated by the President within two years after the consummation of independence.

The third category of the American Government's interests in the Islands has to do with its responsibility for the obligations of the Philippine Government. These obligations are limited by act of Congress to $96,094,853, representing 10 percent of the total assessed valuation of the property in the Islands, plus $7,000,000 for the bonds of purchase of the Friar Lands and $10,000,000 in collateral bonds, making possible a maximum bonded indebtedness of $113,904,853. All Philippine Government securities, including those of municipalities and provinces, are subject to veto by the Governor-General and the President of the United States at the time they are issued. They are issued through the Secretary of War, are tax exempt in this country, and are acceptable at par by the United States Treasury as security for deposits of public moneys. While the United States does not formally guarantee these obligations, both the War Department and the Department of Justice have invariably held that the bonds constitute a moral obligation of the United States because of the Government's authorization of them. On June 30, 1932, there were outstanding $76,082,000 worth of bonds of the Insular, Provincial, and Municipal Governments, the last of which expires in 1961. In addition, the Philippine Government, with the approval of the United States Government, guaranteed the interest on $21,766,000 bonds of the Philippine Railway Co. and the Manila Railroad Co.; the United States is morally obligated with respect to these bonds, which mature in 1937.

The Philippine Bill as passed by Congress specifically provides for taking care of this bonded debt during the transition period. No bonds can be floated by the Philippine Government in excess of the present limitations, and no debt can be contracted in foreign countries without the approval of the President of the United States. Export duties are to be collected on Philippine goods destined for free entry into the United States, to build up a sinking fund with which to pay off these obligations. In case of default, the High Commissioner is empowered to take over the administration of the customs in order to meet payment. Finally, the Act of Congress formally renounces all obligation, moral or otherwise, on the part of the United States regarding any further issues of the Philippine Government, provided they are not tax exempt in the United States. The Act provides that before independence is achieved the Philippine Government must make a treaty with the United States including a provision for the formal assumption by the new government of the outstanding debts of former governments, and "where bonds have been issued under the authority of an Act of Congress of the United States by the Philippine Government or any province or municipality therein, the Philippine Government will make adequate provision for the payment of the interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands."

American Private Interests

The extent of American private investments in the Philippines cannot be ascertained exactly. An estimate of the Bureau of Insular Affairs, as of January 2, 1932, puts the total at $257,751,000 distributed as follows:

Bonds	$113,985,000
Real estate other than farm land ..	12,104,000
Agricultural land	10,616,000
Mines	2,609,000
Forests and lumbering	6,500,000
Manufacturing industries	35,474,000
Mercantile establishments	30,487,000
Bank capital*	837,000
All other	45,179,000
Total	$257,791,000

The item covered by "bonds" is composed chiefly of the government obligations and the bonds of the Manila Railroad and the Philippine Railway, almost the complete issues of which were sold in the United States. The balance of this item amounting to about $30,000,000 is in utilities such as the Manila Electric Co., the telephone system, bus lines, and radio. That the investment in farm land is not larger is due to the legal restrictions on the corporate ownership and control of land, which may not exceed 2,500 acres per corporation. Of the sum estimated as invested in manufacturing industries, nearly $28,000,000 is in sugar centrals and refineries, while $8,000,000 is in coconut oil refineries and related industries. The bank capital investment is small; in 1931 only one American bank had a branch in the Islands. In the miscellaneous item are included investments in hotels, newspapers, theatres, and philanthropic institutions. The investment in the latter is not large; in 1930 it was estimated that there was an investment of only $893,000 in religious organizations.

The Bureau of Insular Affairs estimates of American private investments in the Philippines placed them at $63,725,000 in 1914 and $144,500,000 in 1923. This shows an average annual increase in investments of $9,000,000 from 1914 to 1923 and of $14,000,000 from 1923 to 1931. This does not bear out the contention frequently made that uncertainty as to the future status of the Islands has recently been tending to discourage further investments there. The Independence Bill attempts to protect these investments to some extent. In the transition period, the religious, charitable and educational institutions are to be exempt from taxation. After independence, the treaty to be made with the United States will contain the provision that "all existing property rights of citizens or corporations of the United States shall be acknowledged, respected and safeguarded to the same extent as the property rights of the citizens of the Philippine Islands." The change in the status of the Islands might injure direct investments in such industries as sugar and coconut oil, which depend heavily on trade with the United States and the products of which would be subject to American tariff charges. Other direct investments would be affected in the same degree that the general prosperity of the Islands was affected by the separation from the United States.

Aside from its direct investments in the Philippines, the United States has general economic interests there of a commercial nature. There are ten American steamship lines operating between the United States and the Philippines. During the last six years these have carried on the average $119,870,333 of Philippine trade per year, which represents almost half of the total Philippine foreign trade. Similarly, American ships carried 46 percent of United States-Philippine trade in 1931. This figure contrasts with the 35 percent of total United States foreign trade carried in American bottoms. The lines serving the Philippines in 1932 received mail subsidies amounting to $37,097,000.

United States trade with the Philippines in the past ten years has averaged $173,532,000 per year, $72,924,100 in exports and $100,607,900 in imports, and has been growing rapidly since 1922. It constituted 1.5 percent of the total foreign trade of the United States in that year in contrast with 3 percent in 1931. These two items, shipping and commerce, would be affected in the transition period to the extent to which export duties to be imposed by the Philippine Government on goods destined for free entry to the United States, and the United States tariff charges on sugar, coconut oil and fiber products in excess of the quota limits, proved prohibitory. After independence, in the absence of a special agreement to the contrary, full tariff rates would be charged by both governments. These would inevitably affect the commercial interests of the two countries.

The American stakes in the Philippines may be summarized, then, as follows: The Government has in the past spent there well over $500,000,000 and is at present spending annually $13,000,000; it is morally obligated in respect to bonds totalling $97,848,000, some of which run until 1961; it owns 11,470,000 acres of arable land in the Islands. Private individuals in the United States have an investment of $257,000,000 in the Islands, over half of it in direct investments. American shipping interests carry Philippine trade valued at $120,000,000 annually, and American industries engage in a commodity trade with the Islands which since 1921 has averaged $173,532,000 per year.

而沙林亞

OLINSOL

IDEAL DISINFECTANT

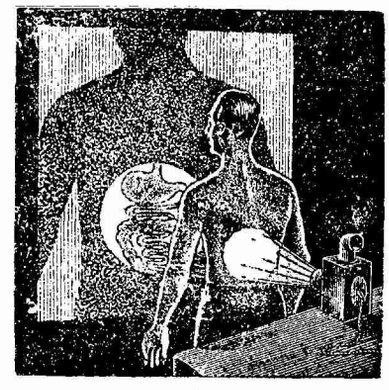
fully as effective as similar imported products but considerably cheaper.

Manufactured by our Factory

INTERNATIONAL DISPENSARY

581 Foochow Road, Shanghai

五洲大藥房



If You Saw Inside Yourself

What would you find? Would you find your food tract in a clean and healthy condition, Or would you find it congested and unhealthy?

If the latter were the case you could not expect to feel well and happy. Any accumulation which is allowed to go on in your food tract militates against your well-being in many ways. The digestive system reacts to the congestion, resulting in poor digestion, flatulence, fullness after meals, loss of appetite, liverishness and sometimes severe bilious attacks. Accumulatd waste matter also contaminates the blood stream, causing loss of energy, making you liable to colds, headaches, dizziness. And sometimes the impurities lodge under the skin causing pimples or boils. To keep fit and happy you must avoid constipation by the use of Pinkettes. This splendid all-vegetable laxative is the nearest approach to nature you can get. Pinkettes, Liver and Laxative Perfection, keep you clean inside. Take a dose or two and note how much happier you feel. All chemists can supply you with Pinkettes.

64-481

CHINA'S PROGRESS IN AVIATION SURPRISES THE WORLD

(*Continued from page 413*)

Messrs. Seth, Mancell & McLure, P. C. Wong, public accountant, will act as auditor. M. Speelman is chairman of the drawing and prize committee.

Chinese boy and girl scouts in Shanghai are to be mobilized in the near future to push the present membership fund-raising campaign of the China National Aviation Association, as a result of the conference of scout masters which was called by Mayor Wu Te-chen, commander-in-chief of the campaign at the Chinese Y. M. C. A., in Shanghai, May 6. It has been tentatively arranged that all Chinese boy and girl scouts should appear on all main thoroughfares in the whole of Shanghai on May 12, 13 and 14 to collect contributions from the pedestrians.

Captain Chen Wen-lin, Director of the Naval Aviation Bureau of the Ministry of the Navy, will shortly make a tour throughout the country in his own airplane *Amoy*. Captain Chen was the Chinese aviator who made a long distance flight from Europe to China several years ago.

Blazing a new trail between Hankow and Canton with the Eurasia airplane No. 5 Li Ching-sung, general manager of the Eurasia Aviation Corporation, arrived in Canton May 6, thus successfully completing the first trial flight for the projected Canton-Hankow Airway.

It was announced that a regular air service between Hunan and Kweichow will be put into operation within a month, following successful test flight between Changsha and Kweiyang by Colonel Huang Fei, head of the Hunan air force.

China Aviation League to Purchase Twelve Airplanes

The China Aviation League has decided to purchase twelve pursuit planes for the Chinese air force with the funds now at its disposal. An order is reported to have already been placed for the purchase.

Shanghai-Chengtu Test Flight

The first test flight between Shanghai and Chengtu, in Szechuen, will be made on May 10. The line is to be formally opened June 1.

"Patriotic Planes" Exhibited in Japan

A naming ceremony of three patriotic planes built with popular contributions from the public, was held at Osaka May 8 in the presence of War Minister Araki. With the completion of the 'Patriotic' plane No.19, constructed with the money contributed by men of Niigata prefecture, another naming ceremony was conducted on the same date at Niigata, attended by Admiral Nomura.

A spectacular air parade and pageant took place at Tachikawa airdrome, suburb of Tokyo, May 4 in the presence of the Emperor. Sixty army planes took part.

The Japanese War Office is making preparations for the expansion of the air force in Formosa, to cope with the critical situation in the South, a recent Chinese telegram from Tokyo stated.

Chinese Attitude on S. M. C. Factory Plan Unchanged, Says Mayor Wu

Interviewed regarding the reported approval by the Consular Body of the amendment to the bye-law 34 of the Shanghai Land Regulations authorising the S. M. C. to control the factory inspection system in the International Settlement, Mayor Wu Te-chen of Greater Shanghai Municipality issued the following statement on May 4, declaring that the Chinese attitude opposiing the S. M. C. plan remains unchanged, even if the Foreign Consuls had actually approved the measure:

"The International Settlement being Chinese territory, foreigners residing and doing business in the Settlement by virtue of existing Treaties can only enjoy the rights stipulated therein.

"Chinese citizens resident in the Settlement have the same duty towards the Chinese Government as those who reside outside of it. The relationship between Chinese citizens and the Chinese Government must not be interfered with by foreigners.

"The legal status of the Settlement is determined by the Treaties. The scope of authority of the S.M.C. is stipulated in the Treaties and the Land Regulations. Without for the moment going into the legal basis of the said Land Regulations, any provisions of the Regulations in conflict with or exceeding the stipulations of the Treaties are obviously invalid. It would therefore be unreasonable to tolerate Bye-Laws of the Land Regulations which are in conflict with the Treaties—or which exceed the proper scope of the said Regulations or which disregard the sovereign rights of the Chinese Republic—in order there-by to extend the authority of the Shanghai Municipal Council.

"I am strongly convinced that those foreigners who are broadminded and who have the interests of the Chinese people at heart, will take the matter into careful consideration. I have so far received no official report as to whether the resolution in question has been approved by the Consular Body. Even if it has been approved by the Consular Body, it cannot become effective until it has been also approved by the various foreign Ministers. The attitude of the Chinese Government, however, remains unchanged."

According to a report in the *Shun Pao* on May 6, despite the adoption of the amendment of the bye-law in question, the Consular authorities declared that they would be willing to discuss the question with the Chinese Authorities. It is understood that the Consular Body has communicated its recommendations on the issue to the Foreign Ministers for consideration and final action.

Clarifying the attitude of the Consular Body in regard to the question, Edwin S. Cunningham, U. S. Consul-General in Shanghai and senior consul, declared several days ago that the approval by that Body of the factory inspection regulation by the S. M. C. and the dispatch of its decision to the Foreign Ministers was merely a formality which means only to aid the Municipal Council in negotiations with the Chinese Authorities. The need of suitable factory inspection has been recognized for some time by both Chinese and foreign authorities and the recent chain of events arising from the resolution passed by the foreign ratepayers, giving the necessary powers of inspection to the S.M.C., contains nothing of a struggle for power, Mr. Cunningham explained.

It is understood that even should the various Foreign Ministers who are now studying the question actually approve the regulation, it would not necessarily mean that the vesting of this power with the S. M. C. is legally sound; but simply that the need of some adequate machinery for factory control is formally recognized, their endorsement, if given, being merely a forerunner of conferences between the Chinese City Officials and the Consular Authorities.

Former Bandit Lair Is Now Site of Narcotics Factory

Correspondence from Kaifeng in the Chinese newspapers states that a narcotic factory in northen Honan in the Fenghuang Mountains, on the outskirts of Linhsien in northern Honan is manufacturing narcotics, morphine, red pills and cocaine on a large scale under armed protection. The mountain was formerly occupied by bandits, but when they were driven out by troops the natives of Linhsien established a factory on top of the mountain for the manufacture of narcotics. It was established five years ago, with a capital of $100,000. It was equipped with necessary machines imported from abroad. The factory employs about fifty workers. Not far from the Fenghuang Mountain there is another narcotics factory, on an even larger scale. It has an armed guard of about two hundred men. The managers of the two factories are brothers. The Linshien mountain was the lair of the bandits who captured a large group of foreigners ten years ago after wrecking the Blue Express.

Noted German Soldier Comes to Shanghai

General von Seeckt, noted German soldier, arrived in Shanghai May 8, whether in his private capacity or as an adviser to the Chinese army not being quite clear. General von Seeckt came from the Netherlands East Indies, where he has recently spent some time. General von Seeckt—born in Schleswig on April 22, 1867—is the German soldier who, after taking part in the peace negotiations following the Armistice of 1918, was entrusted with the reorganization of the German Army. The new German Army was his creation and he retired from the office of Commander-in-Chief in 1926 after magnificent service to his country in war and peace. General von Seeckt comes of an aristocratic Pomeranian family which has given soldiers and administrators to Germany for centuries.

64-482

Who's Who in China

Liu Hua-jui, university professor; born in Kiangsi, 1898; studied for many years in China and abroad chiefly on the subjects of philosophy and history; interested in the promotion of oriental civilization and organised the Association for the Development of Asiatic Culture; represented China at the Pan-Asiatic Conference at Nagasaki, Japan, 1923 and toured Japan, studying cultural conditions; after return to China, he travelled throughout the country and organised the Society of Oriental Civilization at Shanghai; acting president and dean of the Shanghai College of Fine Arts, Shanghai, 1927 and served concurrently as a lecturer at the National Conservatory of Music, Shanghai; professor of oriental culture at the National Wuhan University, Wuchang, 1929; promoted the organization of the Institute of Chinese Arts at Shanghai, 1930; went to Mukden 1930 to study the Manchurian problem where he became a professor of the North-Eastern University; while in Manchuria, he visited Dairen and Port Arthur and Chanchun to study the Japanese industrial development and also visited Harbin and Manchouli to observe the Russian enterprises; after the occupation of Mukden by the Japanese Army on Sept. 18, 1931, he organised the People's National Salvation Association in Shanghai; when the League of Nations' Commission of Inquiry came to China in March 1932, he was invited to be a technical advisor to the Commission and drafted the Memorandum on the diplomatic problems of the Northeastern Provinces; he is now travelling in Europe, studying cultural and political conditions; address: Shanghai College of Fine Arts, 440 Rue Du Marche, Shanghai.

劉華瑞字穗九
Liu Hua-jui

劉華瑞，江西人，三十四歲，長於哲學與史學，少時即結交朝野知名之士，曾組織亞洲文化協會從事亞洲文化復興運動，民國十二年去日本長崎出席亞洲民族會議，民國後，在上海與友人組織東方文化學會，一九二七年任上海美術專門學校代理校長兼教務主任，同時爲國立音樂院聘爲文化史講師，一九二九年任國立武漢大學亞洲文化史教授，次年春季在上海倡辦中國藝術學院，旋於一九三〇年去奉天，任東北大學教授，一九三一年夏季偏歷大連旅順參觀日人在東北事業，又去北滿哈爾濱黑龍江滿洲里一帶考察俄人事業，收集資料甚豐富，九一八事變日軍佔領瀋陽，劉君在上海首先組織國民救國協會，翌年三月國際聯盟會調查團來華被聘爲專門委員，任起草備忘錄，關於對東北外交問題多所供獻，現在歐洲各國考察國際文化與政治等問題，

China Merchants Co. to Repay China Realty Co.

Under an arrangement recently reached between the Board of Directors of the China Merchants S.N. Co. and the China Realty Co. for the cancellation of the three mortgage loans signed by Marquis Li the China Merchants S.N. Co will repay the China Realty Co. the sum of $700,000 which the latter advanced in connection with these agreements. The amount will be repaid in 20 semi-annual instalments of $35,000 with interest.

Who's Who in China

(Supplement to the Standard Edition)

There will be published shortly a supplement to the standard book, "Who's Who in China," which will contain some 200 biographical sketches of Chinese men and women who have come into prominence since the Fourth Edition (1931) was issued. It also will contain revisions of some of the sketches which appeared in the Fourth Edition.

For example, the Supplement will contain the pictures and sketches of several leaders who have come into prominence as a result of the Sino-Japanese conflict, such as Generals Tsai Ting-kai, Chiang Kwang-nai and Oung Chao-wan of the 19th Route Army, Chang Chih-chung of the 5th Army; Ma Chan-shan, Su Ping-wen and Li Tu of the Manchurian campaign; Sung Chih-yuan of Chahar, Han Fu-chu of Shantung, Yu Hsueh-chung of Hopei, Chu Ching-lan of the Volunteers, etc., etc., etc.

For those who possess a copy of the last, or Fourth Edition, a copy of the Supplement, is indispensable.

READY FOR DISTRIBUTION ABOUT JUNE 1.

No office, home, school or public library is complete without **Who's Who in China**, containing the pictures and biographical sketches of most of China's leaders in the fields of politics, business, education and the other professions. In addition to a record of their careers, it also contains their latest addresses, matters of vital importance to those who would keep up with events in China and the Far East.

The prices, including postage, for the Supplement as well as the standard edition are as follows:

	(In China)	(Abroad)
Supplement	$ 2.50	G.$1.00
Standard Fourth Edition (1931)	10.00	4.00
Both books	11.50	4.50

Send orders with check or postal order to the undersigned,

The China Weekly Review

38, Avenue Edward VII

Shanghai.

Men and Events

General Ting Shih-yuan, the first Manchukuo Minister to Japan, was due to arrive in Tokyo May 11.

Miss Blanche R. Walker, member of the Southern Baptist Mission at Kaifeng, Honan, is departing soon on vacation to her home in Los Angeles.

The bill abolishing the oath of allegiance to the English King was passed by the Irish Parliament and signed by the Governor General at Dublin May 3.

The Prussian Minister of Education May 3 dismissed from Berlin University 22 professors, including the well-known Orientalist, Professor Eugene Mittwoch.

The Rev. Frank Bucher, member of the mission of the Reformed Church stationed at Shenchowfu, Hunan province, is departing for the United States shortly on home leave.

The Shanghai Municipal Council May 5 announced the membership of various committes for the current year. The Finance and Watch Committees are headed by H. E. Arnhold

Two men were summarily executed in Tientsin end of last week for an attempt to assassinate General Yu Hsueh-chung, Chairman of Hopei, according to reports in Chinese Tientsin papers.

The fifth batch of Peiping palace treasures shortly to be sent to Shanghai will be stored in Szechuen road, the original warehouse rented in the French Concession not having sufficient capacity.

May 5 was observed as a national holiday in China, being the anniversary of the establishment of the Revolutionary Government in Nanking in 1911, when Dr. Sun Yat-sen assumed office as Provisional President.

Peter Wang, Canadian-born Chinese newspaperman, arrived in Shanghai this week and plans to spend considerable time here. Mr. Wang is a graduate of Toronto University and has been employed on various Canadian newspapers.

Dr. Ralph Cheney returned to Peking last week after an absence of seven years. In 1925 he was a member of the Third Asiatic Expedition led by Dr. Roy Chapman Andrews. Dr. Cheney plans to leave for Shansi before long to pursue his fossil research work.

The following officers have been elected by the Women's Auxiliary of Community Church to serve during the next twelve months:—President, Mrs. George A. Fitch; vice-president, Mrs. Irving Brown; secretary, Mrs. B. W. Smith; treasurer, Mrs. Ralph Hogan.

The British authorities released Mahatma Gandhi during the week from Yeravda prison in Poona where he had been since January 4 last year. This action was taken for fear that his death might possibly occur from a fast which he announced to begin on May 8.

A recent telegram from Mukden in the Chinese press, confirmed from Washington later, stated that, acting under the orders of the United States Government, the American Commercial representative in Mukden has decided to close his office and withdraw from Manchuria.

A miniature battle was staged at Pootung, across the river from Shanghai near the wharves of the Kwang Hua Oil Company, on the night of May 2 when some coolies, natives of Hupeh, made a sudden attack on some Anhuei coolies as the result of a dispute over the distribution of work.

It was officially announced by the Tokyo Foreign Office May 6, that the commercial *modus vivendi* between Turkey and Japan signed at Angora on July 31, 1929 will laspe on and after August 6. Meanwhile the exchange of ratifications of the commercial treaty which was signed some time ago will be expedited.

To forestall possible labor agitations, the Greater Shanghai Municipal Government has addressed a special communication to the Association of Chinese Cotton Mill Owners requesting that the cotton mills in Shanghai be instructed to resume work as usual, instead of closing down two days in each week as contemplated.

Cordell Hull, Secretary of State, announced recently that Wilbur J. Carr and Francis White, Assistant Secretaries in the Department of State in the Hoover Administration, had been asked to continue in their present positions for several months.

Mrs. Victor Keen, wife of the Shanghai correspondent of the New York *Herald-Tribune*, was due to depart on the Italian liner *Conte Verde* May 12 for a home vacation trip of several months. Mrs. Keen came to Shanghai in 1929 and became well known as a newspaperwoman, being employed on the news staff of the *North-China Daily News* until the time of her marriage two years ago. She will return to China in due course *via* the Pacific.

The five leading power companies in Japan have been authorised to send 40,000,000 Yen to America to purchase shares held by Americans in their concerns.

Roy W. Howard of the Scripps-Howard newspapers and Kent Cooper, general manager of the *Associated Press*, sailed from Vancouver for the Far East May 8.

Mayor and Madame Wu Te-chen were hosts at a tea-party in the afternoon of May 5 in honor of the delegates to the Joint Committee of Shanghai Women's Organizations, of which Mrs. Mei Hua-chuan is Chairman.

The marriage took place in the Cantonese Union Church, Shanghai May 6, of Miss Laura Fong, daughter of Dr. and Mrs. Fong F, Sec, to Philip Lin Ho, son of Ho Ti Yuen. of Honolulu. The ceremony was performed by the Rev. Tse Yan-luk and the Rev. W. Luccock.

The death occurred at the Country Hospital Shanghai May 6 of Le Roy Smith, head of the lubricating oil department in Japan of the Socony-Vacuum Corporation and formerly manager of the Vacuum office in Shanghai. He was 48 years old. He leaves a wife, who is stopping with friends in Shanghai.

Confessing large-scale smuggling of pistols and cartridges to China, Azuma Oda head of a well-known firearms store in Kobe, told the judge at the Osaka District Court recently that he believed his deals benefitted Japan. "The smuggling brought money from China to this country, and I thought it was for the good of Japan," he said.

Japanese naval patrols are to be seen on duty during Saturdays, Sundays and holidays at Jessfield Park and vincinity. Up until recently the Japanese activities were confined to Hongkew and vicinity, but new arrangements were made with the International Settlement authorities beginning April 1 to widen the scope of the Japanese activites.

President Franklin D. Roosevelt will formally open the World Fair at Chicago on May 27. By a peculiar coincidence the previous Chicago Fair in 1893 was also held during a period of intense industrial depression throughout the United States, and yet it proved to be the greatest event of its kind ever held in the country up until that time.

A Japanese intendant-major, who was confined in the Antung gendarmerie station, shot himself to death May 4. This officer with his companion, while travelling from Changchun to Japan, was subjected to usual customs examination at the border station by Japanese customs officers, who found out that the two travellers were smuggling precious metals, diamonds, etc.

The fifth annual conference of the Chinese National Bar Association will be convened at Tsingtao on June 1. It is understood that the Shanghai Bar Association will urge submission to the Legislative Yuan of a proposal that the permanent Constitution should expressly provide the liberties of speech, of press and of formation of associations shall not be subject to restriction by any law or ordinance.

Copies of an appeal on behalf of the thirty million Muslims of Pakstan, who live in the five Northern Units of India—Punjab, N.W.F.P. (Afghan Province), Kashmir, Sindh and Baluchistan, for the recognition of their separate national status, as distinct from the rest of India, by the grant of a separate Federal constitution circulated by Rahmat Ali, from Cambridge, England were received in Shanghai during the week.

Owing to the general business depression in the world, Chinese from overseas have returned to China in large numbers during the past year. More than a quarter million have returned from the Dutch, British and American colonies in the South Seas in the last eleven months, constituting three-tenths of the total number of Chinese in those regions. Most of those who returned are bankrupt, Chinese newspapers state.

Discussing reforms in the Harbin municipal administration, a correspondent in that city refers to the fact that Harbin is without a water system and that its drainage is very imperfect. The extraordinarily profitable tramway and electric system is the property of the Kirin Governor and not of Harbin. If Harbin had had a tramway system of its own it would now be receiving a net profit of $2,000,000 per annum, all of which now goes to Kirin. .

Claiming the distinction of being the first osteopath physician in the Orient, Dr. Raymond L. Carey, American Osteopath specialist, who came to Shanghai last year recently opened an office at the American Oriental Bank Building at 21, Nanking Road. Dr. Carey is a graduate of the College of Osteopathic Physicians and Surgeons in Los Angeles and has had many years of experience in the practice of this noval profession in America which is now rapidly growing in importance and popularity.

ANOTHER WORLD CONFLICT IN THE OFFING

(*Continued from page 427*)

national and international peace and safety just as definitely as they are a menace to it they will be on the right track to truth and greatness. I also know definitely that the armaments of the imperialist Powers would dwarf the armaments of the non-military nations to toy proportions—their latest budget showing an annual increase of about G.$5,000,000,000, an increase of 70% over their annual expenditure in armaments previous to the last world war—but "my only desire is to know the truth, my only fear is to cling to error." At the same time I wish that the League of Nations would prove to the world that it is not a coalition of capitalist Powers holding down the vanquished and the weak and dividing the spoils and that it no more avoids great issue or fails to meet it. Lastly I wish to remind England, France and Japan of the simple truth that right eventually triumphs over might and that they would not further exploit that Biblical passage that "The meek shall inherit the earth" because in my judgment at the end of this forthcoming international conflict it may resolve itself into a case of that "One who laughs last laughs best."

Hankow, March 24, 1933.

Dr. Tsu Broadcasts Answer to Japan in New York

Dr. Y. Y. Tsu, former professor of Sociology in St. John's University Shanghai, issued a broadcast address over WOR station in New York April 2 to rebut statements by Mr. Matsuoka during the Japanese delegate's stay in the United States. Chinese residents in N. Y. raised $300 to pay for the expense of broadcasting Dr. Tsu's speech, which was entitled "Japan Withdraws—What Next?," extracts from which follow:

"After eighteen months' of arduous pleading by Japan's most skilful spokesmen, the world is yet to be convinced that Japan's conduct throughout the dispute has been an honorable or honest one whether toward the League or toward China. To throw off the odium she has earned for herself, Japan has tried to sidetrack the issue by blaming it all on China. This explains the assiduity of her spokesmen in this country and at Geneva in trying to paint as black a picture of conditions in China as possible. It is unfortunately true that China's internal conditions are not all that is to be desired. She is going through a difficult period of political and social reconstruction, trying to adjust her national life to modern conditions. It may well be asked, has Japan so easily and conveniently forgotten that not so long ago, precisely in view of China's special needs at a time of transition, she along with other powers, solemnly pledged her word, 'to refrain from taking advantage of conditions in China,' 'to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government' and to enter into no treaty with anyone that infringes or impairs China's territorial and administrative integrity? As to Japan's latest attempt to defend herself for having broken the League Covenant and the Paris Pact by introducing such conundrums as Manchuria is not Chinese territory or China is not a state and therefore these international undertakings cannot be binding upon her actions, it must be that Japan has been driven by sheer desperation to resort to such subterfuge and casuistry that would even make the shade of Machiaevelli turn green with envy."

❧

Mr. Matsuoka's Propaganda in the United States

(The following are extracts from remarks made by Mr. Matsuoka in the course of an interview published in the New York World-Telegram last month)

"The buying power of 450,000,000 of Chinese is a trumped-up myth. The great majority of the Chinese people cannot properly feed and clothe themselves. The great majority are glad to have an income of ten cents a day. How can people so poverty-stricken and disorganized purchase American products? Japan, on the other hand, buys annually more of your raw materials and your manufactured goods than all the rest of Eastern Asia combined, including your own Asiatic possessions. Our own Japanese doors are wider open to your products than any other country in the world except the British Empire. Yet you are still arguing that we are likely to close the door of China to you. It is very hard for a Japanese mind

EAT AT

Jimmy's

212 Szechuen Road

The only American Restaurant in Shanghai

TRY OUR WAFFLES

Branch at 105 Broadway
Open all Night

Jamalo
TRADE MARK
REGISTERED

Refreshing and Sustaining

Watson's Mineral Water Co.

327 Kiangse Road. Tel. 12726

天章紙廠股份有限公司
TIEN CHANG PAPER MILL COMPANY, LTD.

Manufacturers of Papers as follow:—

Bank note paper, Board paper, Book cover paper, Foolscap paper, Ledger paper, Glazed papers, Lien-sze paper, Printing paper, Poster paper, Sanitary paper, Writing papers,

Wrapping papers i. e., Candle, Cotton yarn, Glass, Matches, etc.

Please apply to Room 430, Continental Emporium, Nanking Road. Telephone No. 92082.

Cable Address: **TIEN-CHANG,** Shanghai.

ONLY A FEW COPIES LEFT

The *Review* still has on hand a few copies of the following books dealing with Pacific and Far Eastern Affairs:

"Problems of the Pacific" by Bruno Lasker; standard book of reference for those interested in the complicated affairs of the Far East .....Price M.$15.00

"Symposium on Chinese Culture," by Sophia Chen Zen .....Price M.$ 7.50

"Essays on the Manchurian Problem," by Shuhsi Hsu .....Price M.$ 7.50

Add 25-cts. for postage in China or $1.40 if to be mailed abroad.

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII
Shanghai

64-485

to understand why you are so much more interested in holding us to the letter of treaties than you are to holding any European Power. It is difficult for us to understand why you are more concerned with Manchuria's morality than with Chicago's. To our benighted, Oriental way of thinking, the process of reform should begin at the centre and work out to the fringes of the world. But, then, we Orientals do things in strange ways. For example, we read backwards, so the West tells us—the West which began to read long after the East."

The Sino-Russian Alliance Compact of 1896

(From the Review's Nanking Correspondent)

(The following is the text of the Sino-Russian 'alliance' compact which was signed in Moscow in 1896 between Viceroy Li Hung-chang and the Czarist Government. This treaty was referred to in an article by C. Y. W. Meng which appeared in The Review on May 9).

Article I.—All aggression directed by Japan whether against the Russian territory of oriental eastern Asia or against the territory of China or that of Korea shall be considered as invoking the immediate application of the present treaty.

On this case the two High Contracting Parties pledge themselves to support each other with all the sea and land forces which they can produce at that moment and to aid each other as much as possible for the revitalization of their respective forces.

Article II.—As soon as the two High Contracting Parties shall be engaged in a common action, no peace treaty with the opposite party may be concluded by one of them without the consent of the other.

Article III.—During military operations, all the ports of China shall be, in case of necessity, open to Russian warships, which ships shall be given on the part of the Chinese authorities all the assistance of which they may have need.

Article IV—In order to facilitate to the Russian troops (land) access to the threatened areas and to assure the means of subsistence the Chinese government consents to the construction of a railroad across the Chinese provinces of Amour and Kirin in the direction of Vladivostok. The junction of this railroad with the Russian railroad, shall not serve as a pretext to any encroachment on Chinese territory nor to any attack upon the rights of sovereignty of His Majesty the Emperor of China. The construction of the exploitation of this railroad shall be (grant) admitted agreed upon at the Russian-Chinese Bank and the clauses of the contract which shall be settled upon to this effect shall be duly debated before the Minister of China to St. Petersburg and the Russian-Chinese Bank.

Article V.—It is understood that in time of war, unforeseen by Article I, Russia shall have the free usage of the railroad mentioned in Article IV for the transport and provision of its troops. In times of peace, Russia shall have the same right for transit of its troops, its provisionary, with which shall be justified by no other motive than of the needs of the transport service.

Article VI.—The present treaty shall take effect from the day when the contract, stipulated in Article IV, shall have been confirmed by His Majesty the Emperor of China. It will be in full effect then for a duration of fifteen years. Six months before the expiration of this term, the two High Contracting Parties, shall settle upon the prolongation of this treaty.

Made in Moscow, May 22, 1896.

Bombing Incidents at Tientsin

Three bomb explosions occurred on the night of May 3 in various parts of the Japanese Concession at Tientsin. The Chinese report stated that the outrages were perpetrated by Korean revolutionaries and the Japanese accounts stated they were the work of Chinese.

Two explosions were heard in rapid succession at the power station of the Japanese Concession and at the Japanese barracks near the Haikwang Monastery before 10 p.m. Toward midnight, another explosion occurred near the Japanese consulate. No casualties were reported nor was much material damage done.

Handbills found in the neighborhood denounced Japanese Imperialism and reminded the people of the national humiliation day in remembrance of the Tsinan incident of 1928.

New Books of Interest in the Far East

A Christian's Survey of China

Living Issues in China, by Henry T. Hodgkin. 203 pp. Friendship Press, N. Y.

With the recent death of Dr. Hodgkin, China has lost a sincere and devoted friend. This volume testifies to his faith in the country and its people. His last work before the ultimate removal from service and activity, it merits serious attention as the fruits of a lifetime's thought and realistic effort to assist the Chinese and other non-Christian peoples.

With a scientific background as a medical man, and the experience of extensive travel and more divergent contacts than is the fortune of most soul-savers, Dr. Hodgkin's views are patulous, and embrace vision and a certain universality of mind. In 200 pages he analyses China today politically, socially, economically, with regard to the mission of Christianity. The result is not a deep study, not a great one even in its limited field, but to the reader abroad for whom it was obviously written it should serve usefully as an introduction to the problems of the workers of Christ in China.

Of the eight chapters in the book one is devoted to a discussion of the nascence of the present government, one to the educational system of China, two to social and economic problems. The rest deal principally with the chores of the missionaries, and discuss frankly and sometimes even with vigor the new realities which face men of that calling who struggle with the changing China.

This reviewer finds it necessary to question the authenticity of facts which have caused Dr. Hodgkin to make bold assertions in some instances. For instance, he declares:

"This group (the Nanking oligarchy) takes a middle position, neither reactionary like that of the old warlords nor communist like the short-lived government in Hankow. China has turned away from the military chieftains and their selfish policies, utterly rebellious at their exploitation of her over a number of years. Scarcely less decisively has she turned from a communism which threatened to carry away in a whirlwind of disaster her most cherished traditions and institutions." Does he mean Christian China has done this turning away? It is desirable to be more specific. The observer here cannot but be impressed with the fact that during recent months it has become overwhelmingly obvious that "Military chieftains and their selfish policies" still largely control the government of China, while never before has there been such a mass tendency, supported by intellectuals, toward some kind of communism.

Dr. Hodgkin, pondering the question, "What should the missionary do to make his contribution?" answers it by discoursing upon the need in China for education. "Here, at any rate, the misionary has helped China," he confidently asserts. Yes, that is to be supposed. It is to be regretted of course that missionaries have not availed themselves to a far greater extent of this opportunity, and that the type of man chosen for the educational field has not been of higher worth for this admittedly splendid achievement, but that the work has been done at all seems to be the best manifestation thus far of the Christian spirit.

Dr. Hodgkin himself seems to agree with the view that only men with knowledge to impart are needed in China in the future. The old psalm-singer, the red-blooded, he-man, go-getting, revivalist of the past is, he thinks, a waste of Christian money.

"Missionaries are needed," he concludes, "who will take pains to understand China and the Chinese. . . who have special qualifications for special services, who above all else will, in their personalities and in their homes, carry into China the finest expression of what Christ has come to mean to the West."

The volume appropriately closes with "the prayer that some among its readers will discover in it a clue for which they have been seeking for the guidance of their own lives."

E. S.

Tea Merchant and Yacht Racer

Lipton's Autobiography. Duffield and Green, New York City.

All who enjoy accounts of "How I Achieved Success," such as *American Magazine* gives us a rather steady diet, will enjoy this book. Others, who think of Sir Thomas Lipton as the indomitable sportsman who challenged, and was defeated, five times for the famous "America's Cup," will want to know more about the world's best loser. Those who turn to biography and autobiography for the inspiration of a life lived above the plane of ordinary profit-seeking in pursuit of love and truth and beauty and dominated by a desire to serve will be disappointed here.

At the present moment this book does not appeal as it would have fifty years ago. The general depression has brought about so general a disillusionment with our Western social order that we are getting impatient with the type of success which outwits one's competitors in a tooth-and-claw struggle that leaves them poorer, if you become richer. Now that we have succeeded in the West in piling up goods that cannot be bought, produced in factories that cannot be kept open, built by loans that cannot then be paid, negotiated through banks that cannot be kept solvent,— we are not so sure that the success of a Sir Thomas Lipton *is* success after all.

But aside from our present reaction to the whole profit-making system that has set our world awry, here is an interesting account of one who sprang from humblest beginnings, and through early precocity, youthful endeavor and worldwide adventure achieved both fame and prodigious wealth while still a young man. After faithfully assisting his parents in their shopkeeping on a small scale, he went into business for himself in 1871 with a modest capital of one hundred pounds and by the time he was thirty had become a millionaire. He was unique in the business world,—a shopkeeper with a shop in every city of the Kingdom, later the world's greatest tea-grower and distributor, and perhaps the world's greatest advertiser.

One of the finest things about Sir Thomas was his appreciation of his friends. His intimates were few, chiefly Tom Dewar, Harry Lauder and Andrew Weir (later Lord Inverforth). Of Lord Inverforth he said,

> "I have always regarded him as one of the wisest and shrewdest men I ever met in my life. What he did for Great Britain during and after the War will never thoroughly be appreciated for the simple reason that the public did not know."

Of Duncan Neil, who sailed his yachts in the challenge of the "America's Cup," he said,"

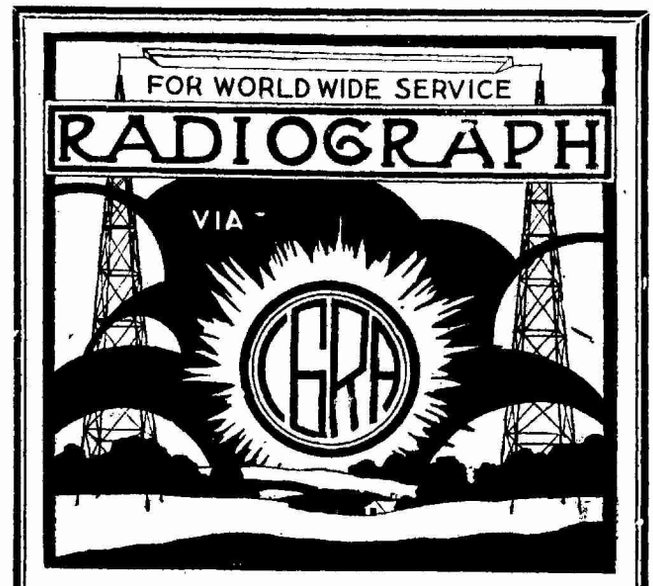
> "He has been my guide, philosopher and friend in all my yachting adventures.... quiet, honest and straight-forward and manly in all things and in every way."

He had a practical creed for both sailsmanship and salesmanship. Among other things he said, "The ideal conditions for the sailsman on the water are a sunny atmosphere and a strong, true and steady breeze, and for the salesman of commerce a sunny and cheerful mental atmosphere and a strong, reliable and attractive line of goods. They must both be sportsmen at heart, ready and prepared to take the bad weather with the good, depression and squalls equally with prosperity and fair winds, and both must play the game squarely and honestly."

He had a love and respect for his good mother that made him unwilling ever knowingly to give her a moment's pain, a fine appreciation of his friends, a sense of fair-play with his employees, and a passion for clean sport, win or lose. That is a good deal, after all, to say for one who never claimed to be other than a simple-hearted Scotsman. G. T. F.

Carnegie Endowment Publication Discusses World Court

The April number of *International Conciliation* (Carnegie Endowment publication) contains a discussion of "The Supreme Court and the World Court, 1932," by Charles Warren. Drawing an analogy between the early history of the Supreme Court of the United States and that of the Permanent Court of International Justice, Mr. Warren shows that the arguments now advanced against international judicial organization are repetitions of arguments used against the U. S. Supreme Court a hundred years ago.



File your message

at

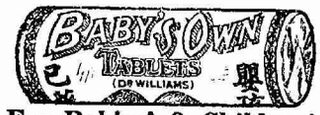
Chinese Government Radio Administration

Main Office .....Sassoon Arcade
Branch Office.....15 Avenue Edward VII

Phone 11130

BABY'S OWN TABLETS

Make a Fellow Feel Great

Look Nice  Taste Nice

For Babies' & Children's Stomach, Bowel & Teething Troubles

Revolt Against Roosevelt on War Debts Threatens

A threatened revolt against President Roosevelt on the war debt question was foreshadowed in telegrams from Washington during the week. It was intimated that the President would continue to declare officially that he expects the June payments to be made, but he will privately tell the debtor nations that a default will not prejudice the policy of the United States at the World Conference nor at the subsequent debt negotiations.

President Roosevelt will proceed to London to attend the Economic Conference early in June, making the journey on the U.S.S. *Indianapolis*. Congress is scheduled to adjourn June 1.

Ramsay MacDonald, on landing at Southampton May 3, on his return from the United States, expressed himself well pleased with the results of the conversation with President Roosevelt. Signor Guido Jung, Italian Foreign Minister, expressed himself to the same effect in Washington on the same date. Viscount Ishii, the Japanese delegate to the Washington parleys, sailed from Yokohama together with other members of the delegation, May 4. A sum amounting to 400,000 yen is being allotted from the "secondary reserve fund," to pay the expenses of the Japanese delegation, which was entertained at luncheon by the Emperor before its departure. Juichi Tsushima, the Japanese financial commissioner now stationed in London, proceeded to Washington during the week. He will act as financial adviser to the Japanese delegation.

Strong Japanese Delegation

The Japanese delegation includes the following: Viscount Ishii, member of the Privy Council; Eigo Fikai, deputy governor of the Bank of Japan; Jukuro Kadono, adviser; Director Iida of the customs section in the Department of Finance; Second Sectional Director Usami of the bureau of commercial affairs in the Foreign Office; Councillor Kubota of the Foreign Office; Director Ko of the Research Bureau in the Bank of Japan and Examiner Kitashiro of the Bank of Japan; and Hisaji Hongo, secretary of the Commerce and Industry Ministry.

Dr. Schacht, president of the German Reichsbank arrived in Washington May 5, to discuss economic questions with President Roosevelt.

T. V. Soong, Chinese Minister of Finance, arrived in Washington May 6, and has already begun his discussions with President Roosevelt. He was accompanied to the White House on the first visit by Dr. Alfred Sze, Chinese Minister. During his stay in Washington Mr. Soong is occupying the house of Charles Adams, former Secretary of the Navy. A recent *United Press* message from Washington pointed out that Mr. Soong's visit coincides with the time when America's trade with the Orient is at an exceedingly low level. Sales of American goods in the Far East during March were 37 per cent lower than they were in March last year.

A Proposed Tariff Truce

America is sending to 66 nations, which have been invited to attend the World Economic Conference, to open in London June 12, a tariff truce proposal by the terms of which the participating governments will be invited to pledge themselves to refrain from creating or making any material and upward modifications in tariff rates, and from imposing any new restrictions against the importation of goods which would give domestic producers an additional advantage as compared with foreign producers.

France's reaction to the proposed truce is that it reserves the right to raise duties to meet declines in exchange rates in currency values of other countries and will only accept such a truce provided all other leading countries do so.

Japan's attitude on the truce is that she will agree, with the reservation that all the principal Powers likewise agree to it and that Japan's agreement shall be nullified vis-a-vis any Power which does not agree to the truce or which breaks the agreement.

Wall Street's financial experts, discussing the Disarmament Conference at Geneva and the forthcoming World Economic Conference in London, comment that economic nationalism can scarcely end so long as war is threatening, for it is the threat of war perhaps more than anything else, which makes each nation anxious to make itself economically self-sufficient.

There are indications that the next country to go off the gold standard will be Holland.

U.S. Will Not Pay Bond Interest in Gold

President Roosevelt announced May 2 that foreign holders of U. S. government bonds will not be paid their interest in gold any more than those living in the country will be, despite the fact that the bonds carry a clause providing for redemption in gold at the value of the gold the day the bonds were issued. This amounts to partial repudiation of the country's obligations, as pointed out by Senator Carter Glass, who has all along been a strong supporter of "sound" money.

Foreign Minister Boncour declared in the French Senate May 4 that France did not wish to take advantage of the existing Mellon-Berenger Agreement, which allows France to claim a moratorium of 50 per cent on the payment due on June 15, thus indicating that France will again default.

Despite the fact that large amounts of gold are still in the possession of hoarders the Federal Reserve Bank's gold reserves May 5 were announced to exceed by 100 per cent the legal requirement relative to backing for the Federal Reserve notes. The gold reserves May 3 totalled U.S.$3,435,570,000.

In a special message to Congress May 4 President Roosevelt requested that Congress confer more broad powers upon the Executive branch of the Government, this time dealing with the railroads and their rehabilitation. The whole plan envisages a possible reduction of capitalization, greater earnings and greater economy.

President Roosevelt in a speech before the U. S. Chamber of Commerce in Washington May 4 stated there was a slight but definite turn for the better in most industries in the United States.

President Roosevelt recently expressed the opinion that it will be necessary to educate the American public to the necessity of making concessions regarding war debts; meanwhile it is believed he will not send a message to Congress on the subject.

In a radio address from the White House May 7 evening President Roosevelt said well-considered and conservative measures would be proposed with a view to giving industrial workers of the country a fairer wage return and prevent cut-throat competition and unduly long hours for labor, while at the same time encouraging each industry to prevent overproduction. He added that America could not ballyhoo itself back to prosperity; he did not want the people of the country to take the foolish course of letting improvement come back on another speculative wave.

U. S. Pays G.$30,000 Indemnity for Killing of Two Mexican Youths

President Hoover, on Feb. 28, just prior to the expiration of his term of office, signed a bill passed by Congress authorizing the payment of an indemnity of G.$30,000 to the Mexican Government for the shooting of two Mexican youths by a sheriff in Oklahoma. The incident occurred on June 7, 1931 when the two Mexican boys, Emilo Cortez Rubio and Manuel Gomez, relatives of a former Mexican president, were returning home to Mexico in their own automobile after attending school in the United States. As they were travelling through the state of Oklahoma, two deputy sheriffs at the town of Ardmore, ordered them to stop. The Mexican youths, apparently thinking the officers were hold-up men, failed to stop their car whereupon the officers fired, killing both boys. The Congressional appropriation provided for the payment of G.$15,000 to the families of each boy.

American Kidnappers Free School Girl Upon Payment of U.S.$60,000

Margaret McMath, the 10-year-old daughter of a prominent and wealthy engineer in Detroit, who was abducted on May 3 by a band of kidnappers, was returned to her parents at Harwichport, Mass, May 5 after the payment of a ransom of U.S.$60,000. The child had been kept on a boat off Harwichport and her family had made contact with the kidnappers on the night of May 3 and had promised them 48 hours' secrecy with regard to the negotiations. A nation-wide police hunt was instituted by the New York and Michigan State police, by land, sea and air, despite her parents' request for secrecy.

The police later arrested Kenneth Buck, one of two brothers involved in the affair, and recovered all of the ransom money, which was hid in various receptacles in Buck's home.

American Fleet Will Visit North China Ports as Usual

Following the usual yearly custom, the American Asiatic Fleet, after spending the winter months in southern waters, has come up north for the summer. At the moment the greater part of the vessels are in Shanghai, and although there have been rumors at various times that the Fleet would not go north of Shanghai so as to avoid any unpleasantness with the Japanese, present indications are that after several weeks various units will proceed to Tsingtao and Chefoo, following the custom observed for the past few decades. Port Arthur, which is again to be fortified by the Japanese, lies about 100 miles north of Chefoo. Japanese telegrams spread the story that the American ships were proceeding north with "secret" orders. Telegrams from Washington described such allegations as "bunk," the situation being as above described.

The United States auxiliary ship, *Gold Star*, arrived at Yokohama from Guam under Commander W. C. Faus, with 16 officers, 161 non-commissioned officers and 44 members of the families of officers (22 women) on board. They are on a holiday and were due to leave Japan on their return to Guam May 12.

The U.S.S. *Luzon*, flagship of the Yangtsze River Patrol, is due to arrive in Shanghai in a few weeks, at which time Admiral Yancey Williams, who has been ordered to duty as Commandant of the Navy Yard, Mare Island, Cal., will be relieved by Captain John Wainwright.

One-Third of U.S. Navy to Be Laid Up

Plans were perfected during the week to retire one-third of the American fleet for six months, as part of the program to still further reduce the expenses of the government, the economies previously provided for not being sufficient to ensure the balancing of the budget. Some of the capital ships in Pacific waters are to be taken to the navy yards on the Atlantic coast for repairs, but most of the ships now on the Pacific will be laid up at the Bremerton and Mare Island yards near Seattle and San Francisco.

There will be no reduction in the strength of the Asiatic Fleet, nearly all the units of which are at present in Shanghai. The personnel of the fleet in Asiatic waters will, however, be affected by the economy program, in that the schedule of promotion will be slowed down.

A Tokyo despatch in the Chinese press date May 8 stated that under the pretext of building a naval squadron for the Manchukuo Government, the Japanese naval authorities are drawing up plans for the construction of a new fleet to be known as the Pehai Fleet, for patrol service in the Gulf of Peichihli. The fleet will operate under the Manchukuo flag but will be manned by Japanese officers.

Britain's Fastest Military Planes for China Station

Nine of the fastest and most efficient shipboard military aircraft in the world are included in the complement of the aircraft carrier *Eagle* which steamed out of Spithead recently on her way to the China station to relieve H.M.S. *Hermes* the carrier which has been on duty in Chinese waters for many months.

The *Eagle* is the largest British aircraft carrier, displacing 22,600 tons and with accommodation for up to forty airplanes. Her complement during her stay with the China Squadron will be twenty-one airplanes.

Three multi-engined flying boats stationed with the Royal Air Force at Singapore are at present making a reconnaissance of North Borneo.

Chinese Install "Tele-Printer" System Between Shanghai and Nanking

The Chinese Telegraph Administration has just completed the installation in the Shanghai and Nanking offices of sets of "Tele-Printer" machines, an electrical system whereby a type-written message in one office is automatically reproduced in the receiving office. In other words, the sender of the message, instead of using the Morse-code, simply types the message on a typewriter and the same message is issued in similar manner at the other office. The system was installed by the China Electric Company, using "Creed" Machines.

The Police Department of the International Settlement is also installing a similar system, which will enable the central office or any of the district offices to broadcast reports to any or all of the other police stations simultaneously. The system has been found most useful abroad in tracing law violators since it permits instantaneous broadcasting of police information.

密勒氏評論報

南京分銷處

茲爲便利閱戶起見
祇須電話通知卽派
專差送上免勞往返
定價每本小洋四角
與申一例

南京下關

汪宸記報社

電話四一八一二

The Most Complete Collection of Documents Bearing on the Sino-Japanese Situation

ONE YEAR OF THE

JAPAN-CHINA

UNDECLARED WAR

By EDWARD BING-SHUEY LEE

Gives a Complete account of the train of events before and after September 18, 1931;

Discusses the causes of the Japanese invasion;

Reveals How "Manchukuo" was formed;

Relates the Fighting around Shanghai;

Records the Accomplishments of the League;

Surveys the Respective Attitudes of the United States, Great Britain, France and Soviet Russia;

Comments on the Lytton Report.

APPENDIXES

Over 200 pages of exchange of notes and other documentary data which serves as invaluable source of information to the student of Far Eastern Affairs

Mex. $10 postage for outports in China 25c Mex. extra postage for Hongkong 85c Mex. extra $1.70 Mex. extra postage for *Philippines*, South Sea Islands, and Straits Settlement

Gold $3 for UNITED STATES and CANADA postage 45c Gold extra

PAPER-BOUND EDITION WITHOUT ILLUSTRATIONS—Price $5 in China or G.$1.50 abroad Postage extra—16-cts., in China; 47-cts., in Hongkong; G.25-cts., foreign.

OBTAINABLE AT

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII Shanghai

Rural Commission to Study Costs of Silk, Tea, Rice and Cotton

A number of important general principles concerning the rehabilitation and development of rural districts was adopted at the second session of the first inaugural conference of the Rural Rehabilitation Commission held in Nanking May 6.

Among the resolutions adopted was one for the establishing of an experts' committee to study questions concerning cost of production, taxes and duties, production and supply, and transportation charges in regard to the four staple agricultural products, namely, silk, tea, rice and cotton. This experts' committee is to formulate and recommend to the Executive Yuan measures for the control of the prices of agricultural products.

In the course of a brief inaugural speech, President Wang Ching-wei said that the rural villages in China had recently been in a state of decadence and depression; and farm products had also considerably decreased. With the prevalence of these conditions, the nation could neither offer effective resistance to Japan nor successfully suppress the Communist banditry. The Executive Yuan had therefore established this Commission to concentrate the energy both of the Government and the nation at large, and to raise adequate funds, for the relief of the suffering masses, improvement of rural finances, modernization of agricultural methods, etc.

Chang Kia-ngau, of the Bank of China at Shanghai, presided at the meeting of the Economic Committee.

China Realty Company to Cancel C. M. S. N. Agreement

It was officially announced in Nanking, April 25 that, following negotiations between Chu Chia-hua, Minister of Communications, and the China Realty Company, the latter had agreed to cancel the mortgage agreement in respect of the China Merchants Steam Navigation Co. provided that all money advanced by the China Realty Company were returned. Mr. Chu has submitted a report on the result of the negotiations to the Executive Yuan for approval.

BACK ISSUES WANTED

The Review will pay one dollar ($1.00) for each copy of the following issues.

Dec. 27, 1924	Vol. 31 No. 4
Feb. 14, 1925	Vol. 31 No. 11
Dec. 11, 1926	Vol. 39 No. 2
May. 5, 1928	Vol. 44 No. 10
Feb. 7, 1931	Vol. 55 No. 10
Oct. 10, 1931	Vol. 58 No. 6

Mail with statement to

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII,
Shanghai.

A.B.C. PRESS, SHANGHAI

Printing
in all its Branches

Your work should bear our imprint

The National City Bank of New York, Rates of Exchange

Shanghai, May 10, 1933.

Demand selling rate on America:	U.S. $100=Sh. $407.12
Demand buying rate on America:	U.S. $100=Sh. $400.00
Demand selling rate on London:	£1.0.0=Sh. $16.134
Demand buying rate on London:	£1.0.0=Sh. $15.868

64-490

Latest New York Stock Exchange Quotations

Market—Steady — Business Done 2,240,000 Shares

May 10, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. May 8	Tues. May 9
9½	1⅝	—	Adams Express	6¾	6¾
94⅛	42½	*6.00	Allied Chemical & Dye	87½	89
15⅜	4	—	Allis Chalmers	13¾	14
82½	29⅝	4.00	American Can	78	78
15	2	—	American & Foreign Power	9	9¼
38½	5	—	American & Foreign Power 7% Pfd.	20½	19
10	1⅛	—	American & Foreign Power Warr.	6⅞	6⅞
12	1½	—	American Metal Co.	10⅛	10⅞
31	5⅛	—	American Smelting	27⅜	27¼
137⅜	70¼	9.00	American Telephone & Telegraph	99½	100¾
89¾	44	5.00	American Tobacco "B"	79¼	80⅝
34½	11	1.00	American Waterworks	19½	19⅞
19⅜	3	—	Anaconda Copper	11	11⅞
11¾	4¼	—	Atlas Corporation	10⅝	11
151¾	28¾	2.00	Auburn Automobiles	43	44½
21⅝	3⅞	—	Baltimore & Ohio	13⅝	13¾
29⅝	7¼	—	Bethlehem Steel	24¾	25⅛
43½	18	1.60	Borden Company	32½	31¾
14¼	3⅝	—	Borg Warner	10½	11¾
20⅝	7¼	—	Canadian Pacific Railway	13	12¾
65¾	16¾	—	Case, J. I.	57	57⅝
47⅞	19	2.00	Chase National Bank	24½	24¾
26½	4⅞	2.00	Chesapeake Corp.	25⅝	25⅞
21¾	5	—	Chrysler	17⅛	18
21	4¼	.80	Columbia Gas & Electric	15¾	15¾
5½	1⅜	—	Commonwealth & Southern	2	2
68¾	31½	4.00	Consolidated Gas of N. Y.	50¼	50¾
10½	3⅝	—	Continental Oil	10¼	10⅜
72½	24¾	3.00	Corn Products	68½	69½
7⅝	1½	—	Coty Inc.	4¼	4½
8¼	⅞	—	Curtiss Wright Company	2¼	2⅛
18⅝	5	.75	Douglas Aircraft	13¾	13½
57	28	3.00	Drug Incorporated	45⅞	45⅝
59¾	22	2.00	Du Pont de Nemours	54¾	56⅛
87⅞	35¼	3.00	Eastman Kodak	66	66¾
48	5	6%S	Electric Bond & Share	17⅛	17½
16	2⅜	—	Electric Power & Light	7	7⅞
5⅞	⅞	—	Fox Film "A"	2⅞	3
26½	8½	.40	General Electric	19¼	19⅛
40½	19⅝	1.60	General Foods	31⅛	31⅜
24⅞	7⅝	1.00	General Motors	21⅞	22½
28⅝	6⅞	1.00	General Railway Signal	24	24
21	8¾	1.20	Gold Dust	20	20⅜
32⅜	5½	—	Goodyear Tire & Rubber	29½	30⅝
18¾	3⅝	—	International Cement	16⅛	16⅛
1⅞	⅛	—	International Com. Engine	⅝	¾
54½	19⅝	.60	International Harvester	31⅜	32⅝
14¼	3½	—	International Nickel	13⅝	13⅝
15¾	2⅝	—	International Telephone & Telegraph	11¾	11⅝
38⅜	10	—	Johns Manville	26	27¼
19¼	4⅞	—	Kennecott	15¾	16⅝
59¾	30½	2.40	Lehman Corporation	58	57½
81	34⅛	*4.00	Liggett & Myers, "B"	80	79⅞
37⅜	9	1.00	Loew's: Inc.	16⅝	16¾
19¼	9	1.20	Lorillard P. Co. (Com.)	18	18¼
22⅞	3½	—	Montgomery Ward	20⅜	21⅜
64½	19¾	1.00	National City Bank (bid price)	28½	28¼
36⅝	8¾	—	New York Central	25½	25⅝
43¼	13¾	8%S	North American Company	22¾	22¾
37	16⅞	2.00	Pacific Gas & Electric	23¾	23½
5¼	1½	—	Packard Motors	3⅝	3¾
28⅜	6½	.50	Pennsylvania Railroad	21¾	22¼
4⅜	1	—	Pennroad Corporation	2	1⅞
10	2	—	Phillips Petroleum	9½	9⅜
60	28	3.20	Public Service of N. Jersey	43	43
13½	2½	—	Radio Corporation	6⅞	7
7¾	1	—	Radio-Keith Orpheum	2⅝	2⅝
40¼	26½	3.00	Reynolds Tobacco "B"	39	39
37¾	9⅞	—	Sears Roebuck	23⅝	23⅝
8¾	2½	—	Shell Union	6	6⅝
13⅜	2¾	—	Simmons Company	11	7½
12¼	5¼	.40	Socony-Vacuum Corp.	9⅜	9⅜
32¾	15¾	2.00	Southern California Edison	20¾	20¼
34¼	5¼	—	Standard Gas & Electric	11¼	11¾
37⅜	19⅞	1.00	Standard Oil Co., of N. Jersey	33	33½
18¼	9¼	1.00	Texas Corporation	16¼	16¼
26¾	12	1.00	Texas Gulf Sulphur	24⅞	25
7⅛	2⅛	—	Trans America	5⅝	5½
36⅜	15½	1.20	Union Carbide & Carbon	32½	33
94½	27⅝	6.00	Union Pacific	78¼	79⅛
34⅜	6½	—	United Aircraft & Trans.	26	26¼
14	3½	.40	United Corporation	7½	7¾
22	9¼	1.20	United Gas Improvement	17½	17½
10¼	1¼	—	U. S. Rubber	8¼	8⅜
52⅝	21¼	—	U. S. Steel	46⅞	46⅜
36	11	2.00	Universal Leaf Tobacco	33	Unq.
23¾	5¼	—	Vanadium	17	17⅝
4½	½	—	Warner Bros. Pictures	2⅝	3
43½	15⅝	—	Westinghouse E. & M.	34½	34⅝
45⅝	22	2.40	Woolworth	35½	35¾

*Plus Extras	Call Money	1%	1%

SWAN, CULBERTSON & FRITZ

Swan, Culbertson & Fritz

Investment Securities—Local & Foreign

Safe Deposit Facilities

New York stock quotations received daily

Sassoon House Telephones 11200 (4 lines)